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ABSTRACT

This report of racial discrimination in housing throughout the United States measures the nature and extent of discrimination against blacks in both the sales and rental housing market. The report is based upon the findings of 300 whites and 300 blacks, working in matched pairs, who shopped for housing advertised in the newspapers of forty metropolitan areas. A systematic comparison was made of the relative treatments accorded black housing seekers and white housing seekers. Results indicate that white applicants for housing were favored more frequently on most indices of discrimination than their black counterparts. These indices of discrimination included information offered on housing availability, courteous treatment by realtors, the terms and conditions presented to applicants, and the housing information requested or volunteered by realtors. Also presented are comparisons of housing availability for the different cities surveyed, implications of the findings for policy, and a report on related analyses now in progress. Included are tables and appendices covering civil rights legislation on housing and the forms used in this project. (Author/WP)

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Measuring Racial Discrimination in American Housing Markets

The Housing Market Practices Survey

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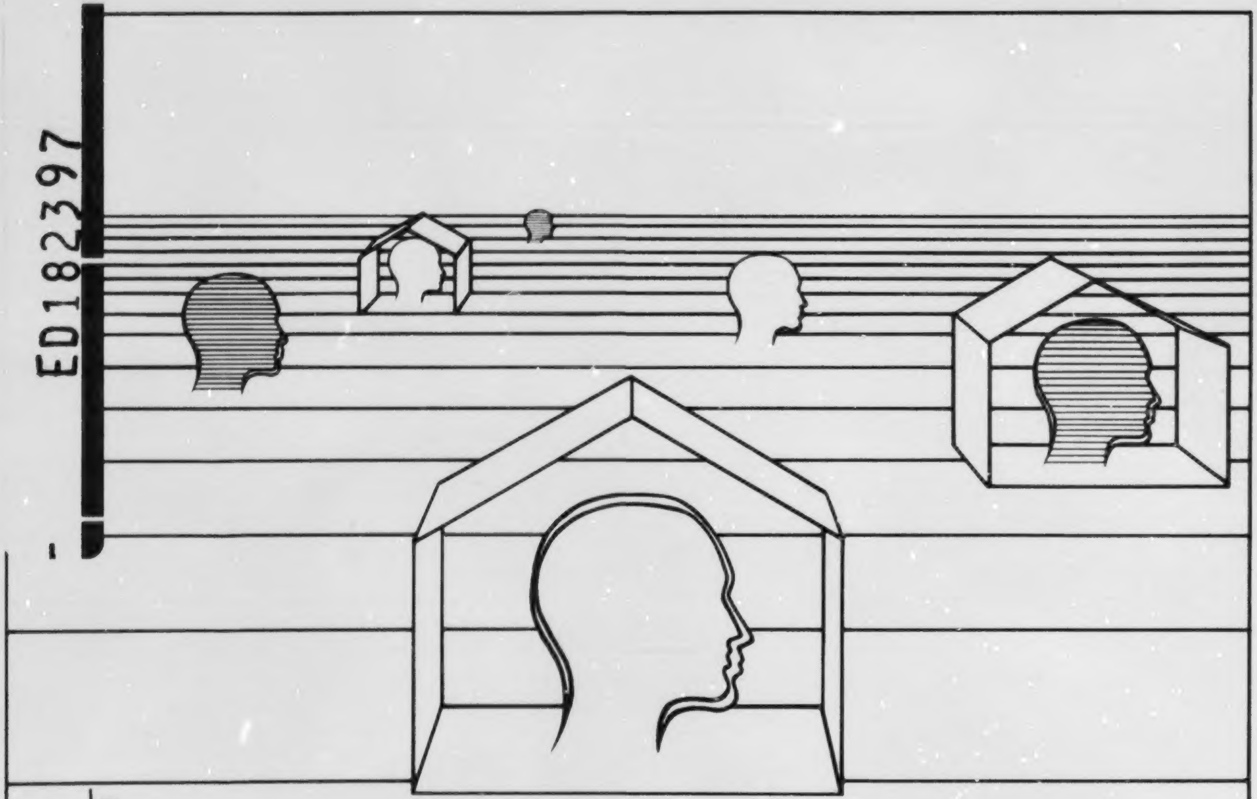

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MEASURING RACIAL DISCRIMINATION IN AMERICAN HOUSING MARKETS: THE HOUSING MARKET PRACTICES SURVEY

by

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April 1979

The research forming the basis for this report was conducted by the Evaluation Division in the Office of Policy Development and Research, U. S. Department of Housing and Urban Development (HUD).

FOREWORD

Racial discrimination in the land of freedom and equal opportunity is a disturbing fact, one that the collective conscience prefers to ignore. But the truth remains: Some Americans are denied equality of treatment because of their race, religion, ethnic background, or sex. This report is about people who are denied equal access to housing solely because of their race.

We cannot emphasize too strongly that this study was designed specifically to measure national and regional discrimination -- not the specific level of discrimination in each metropolitan area. Because of the national design, the sample sizes in the individual metropolitan areas are quite small. The reported site-by-site results must, therefore, be interpreted with extreme caution.

Site-by-site estimates were developed only because of the considerable interest in their use for other purposes, especially to investigate how discrimination and segregation may be related; and to examine the extent to which discrimination in the sales market may be related to discrimination in the rental market.

We are able to state with confidence only that the actual or true level of discrimination for a particular area exists somewhere over a fairly wide range of values, or within what is known as a "confidence interval." For example, the level of discrimination reported for one area is 30 percent; however, the true level of discrimination could be as low as 3 percent or as high as 57 percent.

The importance of such wide confidence intervals cannot be overstated. In particular, the sites cannot be ranked according to the reported level of discrimination because nearly all their confidence intervals overlap. For example, the level of discrimination reported for one area is almost twice the estimated level reported for another area; however, because their respective confidence intervals are so broad and overlap so much, there is a good chance that the two areas have the same level of discrimination or even that the second has more discrimination than does the first.

In addition to their large confidence levels, it should also be remembered that site-by-site results are reported only for one category of discrimination, housing availability.

An area which exhibits a high level of discrimination in terms of housing availability may show a low level of discrimination for one or more other categories of discrimination, or vice versa.

Our estimates of racial discrimination will be judged by some as too low and by others as too high. Regardless of one's perspective, the project reveals extensive racial discrimination. Significant levels of discrimination were found in nearly all audit areas for either the sales market or the rental market or for both.

We release these findings not to dishearten blacks who seek housing, and certainly not to discourage those rental and real estate agents who do not discriminate. Our purpose is to turn undocumented knowledge into recorded facts so that all who believe in fair housing -- this Department among them -- can measure the advances we must all make in the fight for equality in housing.

Donna E. Shalala

Donna E. Shalala
Assistant Secretary
for Policy Development
and Research

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The audit experiment reported upon herein is the product of the combined efforts of hundreds of individuals--all of whom have earned our gratitude. Although it is impossible to thank individually the more than 600 auditors, the 40 audit supervisors and their assistants, and the 40 local sponsoring individuals and organizations, suffice it to say that the successful completion of the audit project owes directly to their dedication and their steadfast adherence to prescribed procedures. Given the ambitious scope of the project, the complexity of the standardized procedures, and the tight time schedule, the superb cooperative effort of auditors, audit supervisors, and sponsoring agencies testifies to their commitment to the fair housing goal and belief in the worth of the project. For most of the auditors--blacks and whites alike--no training could have been sufficient and no recompense adequate for the racial discrimination they encountered, especially in its more blatant forms.

Ensuring the adoption of complicated and unfamiliar auditing procedures designed primarily for evaluation rather than for litigation of specific fair housing cases was no less difficult for the contractor, the National Committee Against Discrimination in Housing (NCDH), than it was for auditors and audit supervisors. Therefore, special acknowledgment is due Ed Holmgren, Executive Director of NCDH, and to his staff for their singular dedication to consistency and control throughout all phases of the project. Recognizing the importance of having a standardized experimental design, reporting instruments, and auditing procedures, NCDH assembled outstanding teams of project designers and implementers, including NCDH staff, outside consultants, and private research organizations. George and Eunice Grier and Ernest Erber were deeply involved in all crucial phases of the project; Joseph Battle, Juliet Saltman, Jack Woltjen, and Charles Foreman contributed invaluable insights during the design phase based upon their extensive experience with fair housing tests and audits; Roger Karsk designed and personally supervised thorough and effective auditor training; George Caldwell resolved a myriad of vexing statistical and methodological issues; Sidney Hollander Associates expertly conducted follow-up personal interviews; JWK International efficiently accomplished the mammoth task of making all the accumulated data computer-accessible.

The individual who put it all together for NCDH was the project director, George Schermer of George Schermer Associates. George had the nearly impossible task of assuring that the complex audit procedures were replicated precisely and simultaneously within 40 disparate metropolitan areas and within an extremely limited time frame. That he accomplished this feat so well, especially given a bare-bones budget and the constant modification of instruments and procedures as the project was underway, is a remarkable tribute to his administrative genius and to his excellent

administrative staff: Phyllis White, assistant director; Connie Roll, administrative secretary; and Maxine Brown, Geri Harris, Barry Miller, Rick Rencher, Juliet Saltman, and Cliff Schrupp, the regional coordinators.

The project developed over a very long time, beginning in the spring of 1975 when the Department of Housing and Urban Development let four small contracts soliciting recommendations as to how HUD's Fair Housing Program might be evaluated most effectively. The commissioned papers were prepared by Eunice and George Grier of Grier Associates; Marcus Alexis of the Department of Economics and the Center for Urban Affairs, Northwestern University; John C. Weicher of the Urban Institute; and Barton Smith and Peter Mieszkowski of the Department of Economics, University of Houston. Credit is due all authors for their uniformly excellent recommendations, virtually all of which have been adopted. The audit approach, recommended by Smith and Mieszkowski, was subjected to intense scrutiny and eventually adopted as the cornerstone of the Department's fair housing research and evaluation effort.

From its inception, the audit project benefited from the criticisms, insights, and suggestions proffered by our colleagues within HUD's Office of Policy Development and Research as well as from interested individuals in HUD's Office of Fair Housing and Equal Opportunity and Office of General Counsel, the Department of Justice, and the Office of Management and Budget. Five individuals deserve special recognition for their unswerving support of and contributions to this project. Charles Bennett, formerly of the Civil Rights Division of the Department of Justice, and Zina Greene, formerly of HUD's Office of Fair Housing and Equal Opportunity, were intimately involved in the project from the outset, providing a ready source of expertise about fair housing programs and policies. Bernard J. Carl is the one individual without whose early support and encouragement this project would not have been undertaken; as former Deputy Assistant Secretary for Policy Development and Program Evaluation in HUD's Office of Policy Development and Research, he was willing to commit the substantial financial and staff resources needed to carry out the audit experiment. Commitment to the project has been no less substantial by Donna E. Shalala, current Assistant Secretary for Policy Development and Research, and by her Deputy Assistant Secretary for Research, Raymond J. Struyk. We are especially grateful for their forbearance during the unexpectedly lengthy period required to produce this report.

Significant and very welcome technical expertise was provided to the HUD research team by our former colleague John Sneed of HUD's Evaluation Division; by Ed Olsen of the University of Virgina and HUD; by De Min Wu of the University of Kansas; and by Barton Smith, who, in addition to co-authoring the paper proposing the audit approach, served as a consultant during the design stage of the project.

We also thank George Caldwell, Ed Olsen, Mary Frase Williams, Paul Courant of the University of Michigan, Elizabeth Roistacher of Queens College, and John Hope II of HEW's Office of Civil Rights for their expert technical critiques of earlier drafts of this paper and for their recommendations for future analysis of the project data. Special thanks are also due four of our colleagues in the Evaluation Division: Monika Curry, John Goering, Jon Hakken, and Harriet Newburger.

Finally, the authors owe a very great debt to four people without whose assistance the contents of this report would have suffered greatly: to Keith Fawcett, M. Azher Khan, and Bernard L. Seward, Jr., for their diligent perseverance in assisting in the analysis of audit data and for their insights into interpreting results; and to Barbara Fishel of Editech, whose editing of the tortuous writing style of four economists has been of exceptional help in improving this report.

With the contributions of all those mentioned above, and of many others whom we may have failed to mention, there is no doubt that any remaining errors in executing this project or in the contents of this report are the sole responsibility of the authors.

Fred Eggers
Clifford Reid
John Simonson
Ron Wienk

April 1979

EXECUTIVE SUMMARY

Introduction

This is the first formal report of a nationwide study of discrimination against blacks in the sale and rental of housing. The data were collected for the study during the spring of 1977. Within 40 metropolitan areas across the country, approximately 300 whites and 300 blacks, in matched pairs, shopped for housing advertised in metropolitan newspapers. Each individual kept a careful record of his experience. A systematic comparison of the relative treatments accorded black housing seekers and white housing seekers under the tightly controlled circumstances of the study provides the basis for the results reported. The data were collected under contract by the National Committee Against Discrimination in Housing (NCDH); staff from the U.S. Department of Housing and Urban Development (HUD) are analyzing the data.

Objectives. The study has two major objectives:

- to measure the nature and extent of discrimination against blacks in American housing markets
- to determine what factors, including the enforcement of housing civil rights legislation, influence the observed discrimination against blacks.

This report describes the findings with respect to the first objective and the basic research methodology used. Subsequent reports will deal with the latter objective as well as with other issues that are likely to arise from detailed analysis of the data.

Principal Findings. The study provides definitive evidence that blacks are discriminated against in the sale and rental of housing. Blacks were systematically treated less favorably with regard to housing availability, were treated less courteously, and were asked for more information than were whites. For example, with respect to an index of housing availability--the most important of the discrimination measures reported--discrimination in the rental market was 27 percent and in the sales market 15 percent.[1] The effect on housing searches of blacks may be cumulative; if 27 percent of rental agents discriminate, then a black who visits four rental agents can expect to encounter at least one instance of discrimination 72 percent of the time; if 15 percent of sales agents discriminate, a black who visits four sales agents can expect to encounter one or more instances of discrimination 48 percent of the time.

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[1] Initial study findings were released in April 1978. The findings released in this report are based on more extensive analysis of audit data; they differ from those released earlier in several ways. First, the categories of items for which systematic differential treatment of auditors is reported differ from those used in April 1978. Second, cases for which no differential treatment of audit teammates was observed are classified as "no difference" rather than "treated equally," largely because "no difference" is a better term for classifying both cases in which auditors received the same, or the same amount of, service, and cases where neither auditor received service. The term also more accurately distinguishes cases where no differential treatment was observed from those where differential treatment was observed. Third, cases for which there was some ambiguity in interpreting whether the outcome on a group of items favored one auditor or the other are treated differently from the earlier report. This change in approach explains differences in the estimates of discrimination from the April 1978 release. For further information on this last point, see chapter 5 of the full report.

Discriminatory treatment as measured by other indices of discrimination usually exhibited smaller, but still statistically significant, differences unfavorable to blacks. Discriminatory treatment of blacks appears to vary regionally and by size of metropolitan area, although the precise factors influencing discriminatory treatment of blacks have not been fully explored.

Methodology

Research Design. The primary goal of fair housing is to achieve equal access to housing for all Americans by eliminating discriminatory behavior prohibited by law. Price differentials paid by blacks and whites for comparable housing, segregated residential living patterns, and expressed perceptions about fair housing--all seem to reflect the effects of discriminatory housing practices rather than the nature or extent of unequal access itself. Hence, it was concluded that discriminatorily unequal access to housing could be measured unambiguously only through a controlled experiment in which blacks and whites simulated the behavior of actual housing seekers.

The simulated housing search experiment, known as an audit, is a procedure whereby a white individual and a black individual successively visit a given real estate or rental agency in search of housing. Two individuals of the same sex are matched as closely as possible in terms of age, general appearance, income, and family size--that is, in every relevant way except skin color. The two individuals request identical housing and carefully record their respective experiences on standardized reporting forms. The quantity and quality of information and service provided to each are then compared, and any systematic difference in treatment accorded black auditors and white auditors is presumed to be because of race.

Auditors were selected by audit supervisors in each of the 40 areas to be audited on the basis of their credibility, reliability, prior experience as a house or apartment seeker, or experience as a salesperson, in roughly that order of priority. They were intensively trained in specified procedures, which included role-playing and practice auditing. Before conducting an audit, each auditor was required to familiarize himself thoroughly with The Manual for Auditors (a 37-page instruction booklet), attend 6 hours of training, perform a practice sales and a practice rental audit, and participate in a debriefing and review session. Above all, the auditors were constantly impressed with the importance of adhering strictly to procedures prescribed in the manual.

Research strategy, instruments, and procedures were tested in a pilot audit conducted in Cincinnati, Ohio, in January and February 1977. The pilot audit proved invaluable for improving the project design; in addition, all aspects of the research methodology were subjected to continuous scrutiny by both HUD and NCDH management and design teams and by their respective consultants.

Sampling Procedures. Altogether, 40 standard metropolitan statistical areas (SMSAs) were chosen through controlled random sampling from among metropolitan areas having large central cities and large black populations. Thirty-two were selected from metropolitan areas having central city populations greater than 100,000 in 1970, and eight were selected from areas having central city populations of from 50,000 to 100,000 in 1970.

To investigate the nature and extent of discriminatory practices in the housing market, five of the 40 areas were designated "in-depth" sites--Atlanta, Boston, Dallas, Milwaukee, and Sacramento. Additional data were obtained for each of them, including follow-up personal interviews conducted with a randomly selected sample of real estate and rental agents who previously had been audited.

Eighty real estate and 120 rental audits were conducted in each of the five in-depth sites compared with 30 to 50 audits of each type conducted in each of the other 35 sites. In all, some 3,264 individual audits were conducted, with each audit consisting of separate visits by both members of an audit team.

Individual real estate agencies and apartment rental complexes were selected for auditing in each metropolitan area through random sampling of their classified advertisements in metropolitanwide newspapers. An agency's probability of being selected was directly proportional to its number of properties listed for sale or rent; each agency was audited as many times as it appeared in the random sample.

Conducting the Audit. The audit was conducted during May and June 1977 to avoid the winter and summer months, which are typically slack times in the housing market. Both auditors followed the identical procedures set out in their respective assignment forms, asking for the same information about available housing, terms and conditions, and so forth, and completing the appropriate report forms immediately after leaving the real estate or rental office.

Racial Discrimination in the Rental Housing Market

After leaving the rental office, each auditor drove to a location out of sight of the rental agent and independently completed a Rental Audit Report Form. (Auditors were not allowed to compare their experiences until after audits were completed in their area.) Responses to the form's 37 questions were grouped into the following five categories: housing availability, courtesy, terms and conditions, information requested, and information volunteered. Then, the responses of the black auditor and the white auditor were compared for each item and for categories of items.

If one auditor was treated no differently from his teammate, the case was classified as one of "no difference." But if the rental agent treated teammates differently, the frequencies with which this observed differential treatment occurred were analyzed to determine whether the outcomes could have occurred by chance.

Housing Availability. The principal focus of this study is on housing availability for two reasons. First, differential treatment on housing availability is a clear violation of Title VIII of the Civil

Rights Act of 1968. Second, differential treatment on housing availability is the most fundamental form of discriminatory practice that a black apartment seeker might encounter. If a rental agent told one auditor that no apartments were available but told the other auditor that something was available, it matters little whether both auditors received the same treatment for each of the other items. Therefore, differential treatment on apartment availability is considered most important.

Both auditors requested the same apartment size when they visited the rental complex. If their first choice was not available, both auditors then requested the same second choice. If the second request was not available, the auditors asked what was available. The following table shows the results for the housing availability items.

	No Difference	White Favored	Black Favored	Net Difference
Apartment availability	60	30	11	19
First or second choice	98	2	0	2
Apartments volunteered	40	42	18	24
Apartments inspected	51	27	21	6
Waiting list	41	41	19	22

For all items the white was favored more frequently than was the black. For example, both members of audit teams were treated no differently 40 percent of the time in terms of the number of apartments the agent volunteered were available; however, when differential treatment occurred, more units were volunteered to whites 42 percent of the time, but more units were volunteered to blacks only 18 percent of the time. The net difference ("white favored" minus "black favored") of 24 percent is statistically significant at the 0.01 level. That is, a net difference this large could be expected to occur by chance no more than 1 time in 100. For each of the other four items, the net difference is also statistically significant at the 0.01 level.

To examine simultaneously several different aspects of the treatment accorded the black auditor compared to the treatment accorded the white auditor, four of the five items (excluding apartments inspected) were combined to form an overall measure, or index, of housing availability. A case was classified as being favorable to an auditor if the auditor was treated favorably on at least one of the four items and was not treated unfavorably on any of the other items. The national and regional results of aggregating these individual housing availability items are shown in the following table.

	No Difference	White Favored	Black Favored	Discriminatory Treatment
National	31	48	21	27
Northeast	32	44	24	20
North Central	34	50	17	33
South	27	52	21	31
West	34	49	17	32

The net differences shown in the last column are the measures of discrimination against blacks. The differences are statistically significant in that differences this large could have been expected to occur by chance less than 1 time in 100.

The table indicates that, nationally, blacks encountered discrimination in 27 percent of their visits to rental complexes. Levels of discrimination of this magnitude may have considerable impact on the housing searches of blacks who are actually seeking apartments. Since the typical housing seeker is likely to visit more than one rental agent or complex, the chance of encountering discrimination in a search involving several agents can be very high. The more agents visited, the higher the likelihood of encountering discrimination. For example, if 27 percent of rental agents discriminate and a search involves visits to four agents, the probability of encountering at least one instance of discrimination is 72 percent.

Courtesy. The following table shows the results for the individual courtesy items.

	No Difference	Occurred for White Only	Occurred for Black Only	Net Difference
Shorter wait before interview	76	14	10	4
Offer of drinks, cigarettes, etc.	98	1	2	-1
Offer of literature	79	10	12	-2
Informal chatting during wait	73	14	13	1
Agent introduced self	77	13	10	3
Agent asked name	69	15	16	-1
Addressed by title	84	7	9	-2
Shook hands	93	4	4	0
Asked to be seated	77	13	10	3
Offered business card	79	14	8	6
Invited to call back	66	21	14	7
Longer length of interview	14	45	41	4

Although in the large majority of cases both auditors were treated no differently, there is a small but statistically significant tendency for blacks to have waited longer for an interview, to have had a shorter interview, not to have been asked to be seated, not to have been offered a business card, and not to have been invited to call back.

In sum, the agents appeared to attempt to form a continuing relationship more often with the white auditor than with the black auditor. To investigate this relationship further, six individual items involving the initial contact between auditor and agent were combined into a single overall measure of courtesy. (The items include whether the agent introduced himself, asked the auditor's name, shook the auditor's hand, asked the auditor to be seated, offered the auditor a business card, and invited the auditor to call back.) The national and regional results from aggregating the individual courtesy items are shown in the following table.

	No Difference	White Favored	Black Favored	Discriminatory Treatment
National	37	38	26	12
Northeast	38	33	29	4
North Central	39	36	25	11
South	34	42	24	18
West	38	36	26	10

The differential treatment favoring the white auditor ranges from 4 percent in the Northeast to 18 percent in the South. However, the differences are statistically significant (at the 0.01 level) only for the North Central and Southern regions and for the national results.

Terms and Conditions. The following table shows the results for the terms and conditions presented to the auditors.

	No Difference	White Favored	Black Favored	Net Difference
Monthly rent	87	7	6	1
Lease requirements	90	5	5	0
Security deposit	83	6	11	-5
Application fee required	73	19	8	11
Length of credit check	65	17	19	-2

Only the amount of the security deposit and the requirement for an application fee show statistically significant differences in treatment. The black auditor was favored more frequently in terms of the security deposit, the white auditor more frequently in terms of the requirement for an application fee.[1] Although no clear pattern emerges for terms and conditions, rental agents did not appear to quote one set of terms and conditions to whites and another set to blacks.

When these individual items are combined into a single index of terms and conditions and the results examined regionally, statistically significant differences were observed for the nation and in the Northeast and the South. The results for the nation and for these two regions could have occurred by chance less than 1 in 10 times.

	No Difference	White Favored	Black Favored	Discriminatory Treatment
National	73	13	15	-2
Northeast	62	14	24	-10
North Central	68	14	19	-5
South	82	11	7	4
West	85	7	7	0

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[1] In terms of requiring an application fee, rental agents treated both auditors no differently 73 percent of the time, told the white auditor 19 percent of the time that an application fee was required, and told the black 8 percent of the time that an application fee was required. Requiring a fee to accompany the application can be said to favor either the white auditor or the black auditor. When a rental agent indicates that an application fee is required, he may be attempting to discourage the apartment seeker from renting an apartment or he may be attempting to facilitate the process of renting an apartment. The table is constructed under the assumption that providing information on the existence of an application fee is favorable treatment; however, there is ambiguity in interpreting this item, and the observed net "favorable" treatment should be interpreted with care.

Rental agents quoted black auditors more favorable terms and conditions in the Northeast and North Central regions; they quoted more favorable terms and conditions to white auditors in the South.

Information Requested and Volunteered. Auditors recorded in their report forms whether the agent requested information regarding income, employment, references, phone number, or address, and whether the agent volunteered information regarding lease requirements, security deposit, waiting list, application procedure, or credit check.

For three of the information requested items (income, employment, and address), difference in treatment was statistically significant although small--3 percent or less. However, for all three the information was requested more frequently from the black auditor than from the white. One possible interpretation of these results is that agents tend to qualify or to screen black prospects more than they do whites.

Two of the information volunteered items showed statistically significant differences in treatment. The agent volunteered information on a security deposit only to the white auditor 24 percent of the time and only to the black auditor 16 percent of the time. For auditors who were told no apartments were available, the agent volunteered information about the waiting list to 31 percent of the whites but to only 16 percent of the blacks. The likelihood of obtaining these outcomes by chance is less than 1 in 100. Volunteering more information about a waiting list to the white auditor is persuasive evidence that rental agents more frequently attempted to maintain continuing relationships with prospective white renters than with prospective black renters.

When information requested items are combined into a single index, a statistically significant difference is observed, with one or more of the items requested only of blacks 19 percent of the time, and only of whites 13 percent of the time. The net differential treatment of 6 percent could have occurred by chance less than 1 in 100 times. When information volunteered items are combined, agents volunteered information more frequently to whites than to blacks; the net differential treatment was 4 percent and 8 percent, as measured by two indices of information volunteered. Both outcomes are statistically significant at the 0.01 level.

Relationship among Alternative Forms of Discrimination. To investigate the relationship among the various categories of discriminatory practices identified in this study, each of the overall measures of various forms of discrimination was compared with the basic index of housing availability. A statistical test was then applied to determine whether or not significant relationships exist among them. Statistically significant relationships appear to exist between the overall index of housing availability and all other indices except for terms and conditions. That is, if blacks were treated less favorably with respect to apartment availability, they also tended to be treated less courteously, to be volunteered less information, and to have more information requested of them than was true for their white teammates.

Discrimination in Large and Small SMSAs. Each of the aggregate indices of differential treatment in this report was examined for the 32 large and the 8 small SMSAs to obtain a rough estimate of differences in discrimination that may be attributable to the size of the SMSA. For all indices except terms and conditions, blacks encountered more discriminatory treatment, on average, in large SMSAs than they did, on average, in small SMSAs. The division of cases by large and small SMSAs indicates that population size may be related to discriminatory behavior. However, future analysis of audit data will more carefully examine the influence of a variety of demographic factors--including metropolitan population--on treatment of auditors.

Racial Discrimination in the Sales Housing Market

The audit procedure for the sales housing market differed somewhat from that used in the rental housing market. While rental auditors inquired about vacancies in the building or complex assigned, sales auditors inquired about housing of a designated price, size, and general location--not about a specific housing unit. Responses to questions on the Sales Audit Report Form are grouped into the following four categories: housing availability, courtesy, service, and household information requested.

Housing Availability. Housing availability items are especially important in the sales audit, because differential treatment on these items represents a clear violation of fair housing legislation, and because differential treatment on these items is perhaps the most fundamental form of discrimination a black might encounter.

The following table shows the results for the housing availability items.

	No Difference	White Favored	Black Favored	Net Difference
Housing availability	68	21	11	10
Multiple listing directory offered	67	13	20	-7
Other listings offered	76	18	6	12
Houses volunteered	22	54	24	30
Invitations to inspect houses	23	46	31	15
Houses inspected	35	38	28	10

The net differences in treatment are statistically significant for all items and could have occurred by chance no more than 1 time in 100. Inexplicably, blacks were favored more often than were whites in the offer of multiple listing directories; however, each of the other items shows substantial net differences unfavorable to blacks.

The following table shows the results of combining four of the above six items into an index of housing availability; other listings offered and houses inspected are excluded.

	No Difference	White Favored	Black Favored	Discriminatory Treatment
National	37	39	24	15
Northeast	33	39	29	10
North Central	23	55	22	33
South	46	33	22	11
West	34	39	27	12

The results nationally and for all census regions except the West (where the adjusted sample size was very small) are statistically significant at the 0.01 level.

The net difference shown in the last column--the measure of discrimination against blacks--indicates that, nationally, blacks encountered discrimination from 15 percent of real estate agents. As in the rental market, an actual housing seeker is likely to be in contact with more than one agent when attempting to purchase a house. Therefore, a level of discrimination of 15 percent may have considerable impact on blacks' housing searches. For example, if 15 percent of sales agents discriminate and a search involves visits to four agents, then the probability of encountering at least one instance of discrimination is 48 percent.

Courtesy. The following table shows the results for the individual courtesy items.

	No Difference	Occurred for White Only	Occurred for Black Only	Net Difference
Shorter wait before interview	70	20	10	10
Offer of drinks, cigarettes, etc.	73	16	11	5
Asked to be seated	69	19	12	7
Informal chatting during wait	64	18	18	0
Agent introduced self	73	17	9	8
Agent asked name	86	8	6	2
Shook hands	65	19	16	3
Addressed by title	56	23	21	2

When differential treatment of auditors occurred, the courtesy was more likely to have been extended to the white than to the black. For five of the items--wait, offer of drink, request to be seated, agent introduction, and request of auditor's name--the likelihood of obtaining the observed outcomes by chance was less than 1 in 100.

With the exception of "addressed by title" all the individual courtesy items were combined into a single index of courtesy; the results are shown in the following table.

	No Difference	White Favored	Black Favored	Discriminatory Treatment
National	34	39	27	12
Northeast	39	31	29	2
North Central	38	35	27	8
South	29	45	26	19
West	46	29	25	4

Although the likelihood of encountering discriminatory treatment in terms of courtesy seems to vary greatly among regions, the differences are statistically significant only nationally and in the North Central and Southern regions.

Service. The following table shows the results for the individual service items.

	No Difference	Service Accorded White Only	Service Accorded Black Only	Net Difference
Longer interview	6	56	39	17
Offer of literature	72	14	14	0
Offer of business card	70	16	14	2
House style desired	62	20	19	1
Special house features desired	64	15	21	-6
Special neighborhood features desired	83	9	9	0
Request for phone number	72	15	12	3
Agent recorded information	61	20	19	1
Offer of assistance to obtain financing	62	19	18	1
Invitation to call again	86	10	4	6

For only four items is the difference in treatment statistically significant. Whites' interviews averaged 1 hour and 40 minutes while blacks' interviews averaged 1 hour and 25 minutes, and when one auditor had a longer interview it was more frequently the white. Whites were also more often asked for a phone number where they could be reached, and whites were more often invited to call again. Blacks were more often asked about any special features they desired in a house.

The national and regional results from aggregating all the individual service items indicate that only the net differential treatment for the nation (3 percent) and for the South (6 percent) is statistically significant (at the 0.05 level).

An important finding is that both blacks and whites were accorded services and courtesies with very high frequency. However, for both categories, if differential treatment occurred, whites were more likely to have been favored than blacks.

Household Information Requested. The following table shows the results for the individual items about which agents requested information from auditors.

	No Difference	Requested of White Only	Requested of Black Only	Net Difference
Income	66	7	28	-21
Spouse's income	66	9	25	-16
Debts or other obligations	84	6	9	-3
Occupation	57	16	27	-11
Employer's name	75	9	16	-7
Length of employment	86	7	7	0
Information about spouse's employment	60	15	26	-11
References	96	1	4	-3

For all items except length of employment, more information was requested from blacks than from whites, and the differences are all statistically significant at the 0.01 level. This finding would tend to indicate that real estate agents screen blacks, which is discriminatory in effect, if not by intent.

Individual items were combined to form an overall index of information requested; the following table shows that substantial discriminatory treatment exists in all four regions as well as nationally.

	No Difference	Requested of Black Only	Requested of White Only	Discriminatory Treatment
National	45	35	20	15
Northeast	37	45	19	26
North Central	42	34	23	11
South	51	30	19	11
West	47	36	17	19

Relationship among Alternative Forms of Discrimination. To investigate the relationship among the various categories of discriminatory practices identified in this study, each of the aggregate indices was compared with the basic index of housing availability. A statistical test was used to determine whether or not significant underlying relationships exist. In fact, a strong relationship does appear to exist among the four indices.

Blacks who were given less favorable information concerning housing availability also tended to be treated less courteously and to receive less service. However, the relationship between the index of housing availability and the index of household information requested is interesting: Both black auditors and white auditors who were asked more information than their teammates were more likely than expected to have also been treated favorably with respect to housing availability. This finding indicates that more rigorous screening of black customers need not result in their being offered fewer housing choices.

Discrimination in Large and Small SMSAs. Black auditors encountered far less discrimination in small SMSAs, on average, than in large SMSAs, on average, for each of the categories of treatment reported. In fact, as measured by the indices of courtesy and service, black auditors were systematically favored in small metropolitan areas. This finding of less discrimination in small than in large metropolitan areas is generally consistent with the results of the rental housing audit. Further analysis of audit data will address whether size of SMSA is the principal factor explaining these outcomes, or whether the differences observed when cases were classified by SMSA size can be explained by some other factor as yet unexplored.

Site-by-Site Results

Housing Availability Discrimination. If every real estate office and rental complex had been audited in each of the 40 SMSAs, then one could be confident that the discrimination levels reported were virtually identical to the experiences housing seekers could expect to encounter were they to conduct housing searches the same way the auditors did in this study. However, audits were conducted of only a sample of real estate offices and rental complexes in each of the 40 SMSAs. Therefore, the racial discrimination levels reported are estimates. The tables on the next two pages show the estimated levels of discrimination for the indices of housing availability for the rental and sales markets.

RENTAL MARKET INDEX OF HOUSING AVAILABILITY

(Percent)

SMSA	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
Akron, OH (26)	27	50	23	27*
Albany-Schenectady-Troy, NY (30)	47	20	33	-13
Asheville, NC (29)	41	41	17	24*
Atlanta, GA (119)	27	45	29	16**
Boston, MA (110)	32	46	22	24***
Canton, OH (29)	35	52	14	38***
Cincinnati, OH-KY-IN (29)	31	48	21	27*
Columbus, OH (29)	24	52	24	28*
Dallas, TX (114)	36	40	24	16**
Dayton, OH (29)	31	55	14	41***
Detroit, MI (30)	23	67	10	57***
Fort Lauderdale-Hollywood, FL (28)	29	54	18	36**
Fort Wayne, IN (30)	23	53	23	30**
Fort Worth, TX (28)	32	46	21	25*
Greenville, SC (30)	40	37	23	14
Harrisburg, PA (28)	14	46	39	7
Hartford, CT (30)	43	40	17	23*
Indianapolis, IN (28)	21	64	14	50***
Lawton, OK (30)	40	40	20	20
Lexington, KY (30)	30	47	23	24*
Los Angeles-Long Beach, CA (30)	20	63	17	46***
Louisville, KY-IN (30)	50	40	10	30**
Macon, GA (30)	37	50	13	37***
Milwaukee, WI (108)	51	32	18	14**
Monroe, LA (29)	28	62	10	52***
Nashville-Davidson, TN (29)	21	59	21	38**
New York, NY (29)	35	45	21	24*
Oklahoma City, OK (30)	30	47	23	24*
Paterson-Clifton-Passaic, NJ (29)	21	38	41	-3
Peoria, IL (30)	50	40	10	30**
Sacramento, CA (118)	48	34	19	15**
Saginaw, MI (30)	27	50	23	27*
San Bernardino-Riverside-Ontario, CA (29)	31	59	10	49***
Savannah, GA (15)	27	47	27	20
Springfield-Chicopee-Holyoke, MA-CT (29)	35	59	7	52***
Stockton, CA (28)	32	46	21	25*
Tampa-St. Petersburg, FL (30)	30	53	17	36**
Tulsa, OK (30)	47	47	7	40***
Vallejo-Napa, CA (29)	28	62	10	52***
York, PA (29)	31	52	17	35**

NOTE: Numbers in parentheses are the number of observations; tests of significance were performed on unweighted, unadjusted data.

SALES MARKET INDEX OF HOUSING AVAILABILITY

(Percent)

SMSA	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
Akron, OH (40)	33	50	18	32**
Albany-Schenectady-Troy, NY (30)	47	30	23	7
Asheville, NC (28)	21	57	21	36**
Atlanta, GA (78)	27	42	31	11
Boston, MA (73)	25	43	33	10
Canton, OH (30)	17	57	27	30*
Cincinnati, OH-KY-IN (48)	21	65	15	50***
Columbus, OH (40)	23	63	15	48***
Dallas, TX (80)	25	41	34	7
Dayton, OH (43)	35	40	26	14
Detroit, MI (51)	14	64	22	42***
Fort Lauderdale-Hollywood, FL (45)	33	46	21	25**
Fort Wayne, IN (25)	31	23	47	-24
Fort Worth, TX (29)	35	52	14	38***
Greenville, SC (30)	37	33	30	3
Harrisburg, PA (30)	23	40	37	3
Hartford, CT (30)	27	37	37	0
Indianapolis, IN (50)	26	54	20	34***
Lawton, OK (30)	22	31	48	-17
Lexington, KY (30)	27	57	17	40***
Los Angeles-Long Beach, CA (50)	40	42	18	24**
Louisville, KY-IN (39)	21	46	33	13
Macon, GA (45)	24	49	27	22*
Milwaukee, WI (80)	28	53	20	33***
Monroe, LA (29)	24	45	31	14
Nashville-Davidson, TN (39)	66	23	10	13
New York, NY (50)	38	50	12	38***
Oklahoma City, OK (29)	38	31	31	0
Paterson-Clifton-Passaic, NJ (30)	20	53	27	26*
Peoria, IL (30)	33	33	33	0
Sacramento, CA (79)	34	38	28	10
Saginaw, MI (30)	37	33	30	3
San Bernardino-Riverside-Ontario, CA (50)	17	38	45	-7
Savannah, GA (30)	37	47	17	30**
Springfield-Chicopee-Holyoke, MA-CT (30)	30	20	50	-30**
Stockton, CA (30)	47	23	30	-7
Tampa-St. Petersburg, FL (44)	44	34	22	12
Tulsa, OK (29)	28	52	21	31**
Vallejo-Napa, CA (29)	27	44	29	15
York, PA (29)	45	45	10	35**

NOTE: Numbers in parentheses are the number of observations; tests of significance were performed on unweighted, unadjusted data.

The numbers presented in the tables must be interpreted with great care, because a simple ranking of sites by their estimated levels of discrimination is, at best, very difficult. The number of asterisks in the fourth column of the tables serves as a guide. Three asterisks mean that the observed level of discrimination could be expected to have occurred by chance no more than 1 in 100 times, two asterisks that the outcome could be expected to have occurred by chance no more than 5 in 100 times, and one asterisk that the outcome could be expected to have occurred by chance no more than 10 in 100 times. In other words, the more asterisks, the more confidence one can have that the observed level of discrimination could not have occurred by chance.

The principal factor affecting the degree of confidence one can place in the estimated levels of discrimination is how large the sample was from which estimates were made. Since relatively few audits were conducted in each site, all of the estimates may vary considerably from the frequencies with which discriminatory behavior may actually be practiced in the audit sites. For example, the sales index of discriminatory behavior for Akron, Ohio, indicates net unfavorable treatment of blacks of 32 percent. However, one can be confident 95 percent of the time that the true level of discrimination is actually between 9 percent and 55 percent. Sales market discrimination in the next site on the table--Albany-Schenectady-Troy, New York--is estimated to be 7 percent. However, one can be confident 95 percent of the time that the true level of discrimination lies somewhere between -19 percent ("reverse discrimination") and 33 percent. Two important points can be derived from these examples. First, because the sample sizes for SMSAs are so small (frequently no more than 30 audits per site), the range of values that the true level of discrimination may take is very large. Second, comparing sites by their estimated levels of discrimination is extremely difficult. For the sales market, Akron's estimated level of discrimination--32 percent--is over 4 times the estimated level for Albany-Schenectady-Troy--7 percent. But the true level of discrimination for Akron may be as low as 9 percent, and the true level for Albany-Schenectady-Troy may be as high as 33 percent. In other words, although the estimates differ considerably, the true levels of discrimination for these sites may not differ very much at all.[1]

For the most part, the problem of small sample sizes from which to estimate levels of discrimination does not exist for the national, regional, and large and small SMSA results reported earlier. That is, the sample sizes are obviously larger for the nation and the regions, and the true levels of discrimination are more likely to be the same or very close to the reported estimates.

A final point to keep in mind regarding the site estimates is that discriminatory practices appear to vary. Therefore, the level of discrimination estimated for an SMSA may be high as measured by one index but low as measured by another index.

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[1] For additional information on how to interpret the site results, see chapter 4 of the full report.

Comparison of Discrimination in Rental and Sales Markets. The respective indices of housing availability for the rental and sales markets were compared on a site-by-site basis and found to be only weakly related. That is, it does not appear that high levels of discrimination in the sales market are necessarily associated with high levels of discrimination in the rental market.

Interpreting the Results: Summary and Conclusions

Limitations. For several reasons, discrimination measured by the audit is undoubtedly understated.

First, only the initial phase of the housing search process was investigated. Undoubtedly, more discrimination would have been detected if audits had been sustained longer, e.g., by putting down security deposits or seeking to obtain financing. Also, buying a house is a much more complex process than renting an apartment. Far less of the house-buying process was examined than of the apartment-renting process; therefore, the audit study does not examine many of the opportunities for differential treatment of prospective buyers.

Second, estimates of racial discrimination in the sales market have not yet incorporated evidence the study may yield with respect to racial steering and with respect to the degree of "sales effort" accorded auditors.

Third, the audit was limited to estimating discrimination against blacks living in metropolitan areas containing a significant percentage of blacks. It is anticipated that future studies will use the audit procedures to investigate discrimination in housing against other minorities, against women, and in other areas.[1]

Fourth, the audit results reported here relate only to a search process based upon newspaper advertisements of certain types of housing. The results exclude, for example, condominiums, new homes for sale by the builder, and houses and duplexes for rent. Hence, the audit sample undoubtedly precluded the detection of much discrimination practiced in the sale and rental of housing.

The newspaper sampling technique employed for the study influences the interpretation of findings in three other ways:

1. Only those real estate and rental agents who advertised were subject to being selected for auditing. Advertisers may differ considerably from nonadvertisers in their tendency to discriminate. If it is true, as many people suspect, that nonadvertisers are more likely to discriminate, the reported results underestimate the amount of racial discrimination.

2. To derive metropolitanwide estimates of discrimination, no part of a metropolitan area (within SMSA boundaries) was precluded from being audited. However, the economic circumstances of many actual housing seekers, whites as well as blacks, constrain them to portions of housing markets. Just as discrimination varies by region and by site, it is likely to vary by submarket. (This question will be examined in the next phase of HUD's analysis.) The estimated discrimination

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[1] An experimental audit measuring discrimination against Hispanic-Americans has already been completed under HUD contract. A report of the analysis performed by HUD staff will be released this summer.

levels reported should not be interpreted as equivalent to those faced by people who are actually searching for housing.

3. The sampling criteria employed for the study mean that the estimated levels of discrimination are for the existing sales housing market (i.e., resales) almost exclusively and, for the rental market, are more likely to reflect discrimination as practiced in larger, newer buildings and complexes. Discrimination as practiced by other sectors of the market was either not examined at all or examined to a lesser degree.

Finally, the education and other socioeconomic characteristics of auditors exceeded the education and other socioeconomic characteristics of the general population and of most black housing seekers. Auditors had to be relatively well trained and reasonably well educated to play the roles they were required to play and to complete the complex audit report forms. The result is that auditors were likely to have been--and certainly appeared--middle class. Therefore, audit findings are likely to reflect discrimination against a limited socioeconomic spectrum of black households.

Interpreting the Numbers. By whatever criteria one used to analyze the data collected for this study, it is clear that discrimination is extensive and pervades metropolitan areas throughout the country. Although this study cannot answer the question of whether the nature and extent of racial discrimination in housing have changed over time, it does provide a baseline for future research on changes in racial discrimination. Black auditors, on average, were systematically treated less favorably regarding housing availability, were treated less courteously, and were asked more information than were whites. With respect to housing availability, for example--the most important of the discrimination indices reported--

discrimination in the rental market was 27 percent and in the sales market 15 percent. The research perspective of the report has been that the precise numbers associated with the quantification of racial discrimination are considerably less important that the fact that substantial discrimination was observed. However, the reader should remember the following points.

1. The approach followed during this first phase of data analysis has deliberately been conservative. Wherever the researchers doubted which analytical approach to use or which interpretation to place on results, they selected the alternative that seemed least likely to exaggerate the problem of racial discrimination.

2. Cases in which both auditors were treated favorably on at least one item used to construct an index were classified as "no difference," even though one auditor may have been favored on more items than his or her teammate. This approach, although consistent with the adopted conservative strategy, resulted in considerably lower levels of observed discrimination in the sales market from what they would have been had these ambiguous cases been excluded entirely from the index calculations.

3. The technique used for this report was simply to measure differential treatment on individual items and groups of items. There are many other methods by which analysis of the differential treatment of auditors might reveal numbers different from those reported. However, no alternative can yield estimates of discrimination that are not substantial, since substantially different treatment was accorded auditors as measured by individual items.

Regardless of whether one considers the reported numbers to underestimate the problem of racial discrimination or to overestimate the problem of racial discrimination, the audit reveals that blacks and whites were systematically treated differently. The goal of fair housing is to eliminate discrimination, not to reduce it. There is no such thing as a "tolerable" level of discrimination; the numbers reported are considerably less important than the fact that conclusive evidence has been provided that discriminatory treatment of blacks continues to be an important American social problem.

Policy Implications. The principal policy implications to be derived from the audit must await the results of regression analysis of the data, which will facilitate determining which factors--including fair housing enforcement--influence discrimination. However, several observations can be drawn from the findings presented in this report.

First, efforts to combat racial discrimination have not been completely successful, as is obvious from the extensive evidence of its existence presented in this report. One can only conclude that the sanctions imposed on discriminators are insufficient, or that the probability of detecting discriminatory behavior is too low, or both.

Second, discriminatory behavior may be quite difficult to detect. Systematic differential treatment unfavorable to blacks can be confirmed only by examining a large number of cases. The audit project has clearly demonstrated the usefulness of the audit technique as both a research and a fair housing enforcement tool.

Third, although substantial racial discrimination was observed, blacks were treated no differently from their white teammates in a high percentage of the total number of cases. The battle to eliminate racial discrimination is far from complete, but unequal access to housing markets does not mean total exclusion.

Future Analysis. The audit information represents but a small portion of the data being analyzed as part of the project. For example, the audit results will be keyed to census data for the tracts in which real estate and rental agents were located and to census data for the tracts of inspected apartments and houses. The full data set will allow investigation of numerous hypotheses with respect to the factors suspected to influence racial discrimination. In general, these factors involve three sets of characteristics: those of the auditors, those of the areas in which audits were conducted, and those of the rental complexes and real estate agencies audited. Work is proceeding on how these factors may influence the probability that a black housing seeker is systematically accorded discriminatory treatment. HUD will release future reports of results as the research is completed. It is anticipated that a large number of very interesting issues can be addressed by analyzing the data generated for this project; therefore, this report should be considered volume one of a series.

Inquiries regarding this executive summary, the full report on which it is based, and future reports of findings should be addressed to:

U.S. Department of Housing and Urban Development
Office of Policy Development and Research
Division of Product Dissemination and Transfer
451 7th Street, S.W., Room 8124
Washington, D.C. 20410

INTRODUCTION

This paper is the first formal report on a nationwide study of discrimination against blacks in the sale and rental of housing. The study was undertaken by the Department of Housing and Urban Development in response to Section 808(e) of the Civil Rights Act of 1968.

> The Secretary of Housing and Urban Development shall (1) make studies with respect to the nature and extent of discriminatory housing practices in representative communities, urban, suburban, and rural, throughout the United States....

The study has two major objectives:

- to measure the nature and extent of discrimination against blacks in American metropolitan housing markets
- to determine what factors, including the enforcement of housing civil rights legislation, influence the observed discrimination against blacks.

This report describes the findings with respect to the first objective. It elaborates upon findings released in April 1978, provides minor revisions, and describes the project in detail.[1] Subsequent reports will examine the second objective and other issues that the study's unique data elucidate.

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[1] Initial study findings were released in April 1978. The findings released in this report are based on more extensive analysis of audit data; they differ from those released earlier in several ways. First, the categories of items for which systematic differential treatment of auditors are reported differ from those used in April 1978. Second, cases for which no differential treatment of audit teammates was observed are classified as "no difference" rather than "treated equally," largely because "no difference" is a better term for classifying both cases in which auditors

This report provides definitive evidence that blacks are discriminated against in the housing market. Because no comparable data exist for prior years, it is impossible to determine whether the situation has improved or worsened. Nevertheless, the report clearly establishes the need for improved and increased enforcement of the fair housing laws for several reasons. First, fair housing, or equality of access to housing markets, is a right of all citizens, and the report shows that blacks and whites do not have equal access to housing.[1] Second, social science literature provides strong evidence that discrimination in housing affects blacks detrimentally in terms of the price and type of housing they consume and in terms of their access to jobs and desirable public services. Third, the existence of discrimination in housing reduces the likelihood of finding decent housing for the poor who are also black and may exaggerate demographic changes within neighborhoods.

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received the same, or the same amount of, service, and cases where neither auditor received service. The term also more accurately distinguishes cases where no differential treatment was observed from those where differential treatment was observed. Third, cases for which there was some ambiguity in interpreting whether the outcome on a group of items favored one auditor or the other are treated differently from the earlier report. This change in approach explains differences in the estimates of discrimination from the April 1978 release. For further information on this last point, see chapter 5.

[1] For this report, "fair housing" refers to the absence of practices prohibited by law that may reduce access to housing markets. Appendix A of this report is Title VIII of the Civil Rights Act of 1968, which details prohibited practices and those classes for whom the legislation was intended. The Civil Rights Act of 1866 also prohibits racial discrimination in the sale or rental of property of all kinds, not just housing.

Much more research is required to understand fully the impact of housing discrimination on blacks and other minorities. Particular attention needs to be focused on the housing discrimination faced by Hispanics, other minorities, and women. But the importance of the study is that it documents and quantifies the continued existence of housing discrimination and provides a baseline for measuring the impact of efforts to combat discrimination.

The report is divided into five chapters. The first chapter discusses the history of the study, the management of the project, the site selection and sampling design, and the procedures used to ensure objectivity and consistency across sites. Chapters 2 and 3 report results for the rental and sales markets, respectively. Chapter 4 provides estimates of the level of discrimination by individual metropolitan area and explores the relationship between discrimination and segregation. Chapter 5 discusses the limitations of the study, summarizes the findings and their implications for policy, and describes further analysis already underway.

CHAPTER 1

OVERVIEW OF THE STUDY

BACKGROUND AND CHRONOLOGY

The principal objective of this initial report of the Title VIII--Fair Housing Evaluation[1] is to examine real estate and rental agents' treatment of prospective buyers and renters to determine the frequency with which blacks may encounter discrimination and to identify the forms discrimination is likely to take. The methodology used is an audit of real estate and rental agents because an audit can provide direct evidence of discrimination; that is, discrimination can be directly observed by examining the systematic differential treatment that may be accorded blacks and whites when they seek housing.[2] Since each pair of auditors is virtually identical in all characteristics other than race, any systematic differential treatment is evidence of racial discrimination.

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[1] This project is known within the Department of Housing and Urban Development as the Title VIII--Fair Housing Evaluation. (Title VIII of the Civil Rights Act of 1968 is the principal legislation under which the Department of Housing and Urban Development and the Department of Justice are charged with combatting discrimination in housing.) Outside the Department, the project has become known as the Housing Market Practices Survey.

[2] An audit is:

> . . . a study done to determine the differences in quality, content, and quantity of information and service given to clients by real estate firms and rental property managers that could only result from a difference in the clients' race . . . . The audit is conducted under

The idea for this project originated in the Office of Policy Development and Research, Division of Evaluation, of the U.S. Department of Housing and Urban Development (HUD) some 4 years ago. The division is charged with evaluating major ongoing departmental programs, one of which is the Title VIII--Fair Housing Program. In the spring of 1975, four small contracts were let, soliciting recommendations as to how the Fair Housing Program might be evaluated most effectively.[1] The resulting proposals presented four alternatives: (1) to measure the extent to which minority families may pay premiums to obtain housing; (2) to measure residential segregation; (3) to measure prevailing attitudes and perceptions regarding discrimination; and (4) to measure differential treatment sales and rental agents accord housing seekers of different races.

> the supervision of a coordinator, and sends teams of trained volunteers to . . . real estate agencies (or rental complexes) to pose as homeseekers. Each team is matched according to income, family size, age, general appearance, etc.--every factor except skin color. Each member is sent to the same agency at closely spaced intervals, presenting similar housing desires. Each volunteer then keeps detailed accounts of his experience in the categories being tested, and avoids contact with his counterpart until his report is completed. [*Racial Steering: The Dual Housing Market and Multiracial Neighborhoods*, National Neighbors, 1973, p. 20]

The auditing technique employed for this study is described later in this report and in *The Manual for Auditors*, appendix B.

1. The commissioned papers were prepared by George and Eunice Grier of the Washington Center for Metropolitan Studies; Marcus Alexis of the Department of Economics and the Center for Urban Affairs, Northwestern University; John C. Weicher of the Department of Economics, Ohio State University; and Barton Smith and Peter Mieszkowski of the Department of Economics, University of Houston. (Affiliations are as of the time proposals were submitted.)

Although the original concern had been simply to determine how effective the Department's fair housing enforcement efforts had been, it became apparent from the recommended approaches that other, more basic, questions remained unanswered: What is the nature and extent of discrimination in housing in the United States, and what factors--including fair housing enforcement--influence its persistence?

Measuring the nature and extent of existing housing discrimination in the United States will permit fair housing enforcement efforts to be evaluated on a continuing basis; that is, the comprehensive and quantitative measures of housing discrimination reported here will provide a baseline against which to compare the findings of future replications of the audit experiment. Second, measuring the current pattern of housing discrimination region by region and site by site will permit evaluation of past fair housing efforts; for example, cross-sectional variation in Title VIII complaint conciliations previously attempted by the Department can be related to cross-sectional variation in measured housing discrimination. Identifying the relative effectiveness of previously used Title VIII enforcement tools should clarify which fair housing policy tools will be most appropriate to use in the future to accomplish the goal of fair housing for all Americans.

The Department hopes to answer many questions in this and future reports, including:

- What is the probability that a black will encounter discrimination when searching for a dwelling unit?

- What methods are used to discriminate against blacks?
- Do comparable patterns of discrimination exist in the sales and rental markets?
- How does the probability of encountering discrimination vary from one urban area to another across the United States?
- What social and economic characteristics--of both individual housing seekers and of the type of housing sought--affect the probability of encountering discrimination?

Evaluating fair housing efforts requires accurate measurement not only of variations in housing discrimination across urban areas in the United States but also of how their determinants differ cross-sectionally. The evaluation strategy is essentially to estimate the degree of housing discrimination likely to exist among urban areas in the absence of fair housing enforcement and then to investigate the extent to which any divergence between predicted and actual patterns of discrimination may be attributed to enforcement activities. To this end, metropolitan areas selected for inclusion in this study ensured a maximum range of values for several critical control and policy variables--overall population size; percent black population; geographical spread; and, above all, fair housing efforts by the Department of Housing and Urban Development, the Department of Justice, state fair housing agencies, and local fair housing groups.

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SELECTION OF THE FAIR HOUSING AUDIT AS THE BASIC RESEARCH APPROACH

The primary goal of fair housing is to eliminate discriminatory practices prohibited by law. Eliminating these practices would result in equality of access to housing markets (holding constant the socioeconomic status of homeseekers) for all Americans. Price differentials, segregated residential living patterns, and expressed perceptions about fair housing all seem to reflect the effects of minorities' discriminatorily unequal access to housing rather than the nature or extent of unequal access itself. Hence, it was concluded that discriminatorily unequal access to housing could be measured unambiguously only through a controlled experiment in which blacks and whites simulated the behavior of actual housing seekers.

The simulated housing search experiment, known as an audit, is a procedure whereby a white individual and a black individual successively visit a given real estate or rental office in search of housing. Two individuals of the same sex but of different races are matched as closely as possible in terms of age, general appearance, income, family size, and all other relevant characteristics. They present identical housing requests to sales or rental agents and carefully record their respective experiences on standardized reporting forms. The quantity and quality of information and service received are then compared, and any systematic differences in treatment accorded blacks and whites are presumed to be because of race or skin color.

A request for research proposals to conduct an audit was developed early in 1976. The competitive contract was awarded to the National Committee Against Discrimination in Housing (NCDH), a not-for-profit fair housing organization with headquarters in Washington, D.C. Contract work was mostly completed by October 1977; it was limited to data collection, with NCDH's primary role to conduct the audit experiment according to strictly prescribed procedures. Since October 1977 efforts have been devoted to obtaining ancillary data; to editing, tabulating, and making the data computer-accessible; and to performing statistical analysis of the data. Responsibility for data analysis is HUD's alone.

Although large-scale social science experimentation is a relatively recent phenomenon, largely dating from the New Jersey Income Maintenance Experiment in the 1960s,[1] the use of the audit as a research technique has a rich history. First, the audit is a well established research technique market survey firms use to measure differential levels of consumer services, prices of goods, and so forth. Second, the audit as a method of investigating the nature and extent of discrimination dates from at least the early 1930s, when Richard T. LaPiere traveled extensively in the United States with a Chinese student and his wife, keeping detailed records of the differential treatment they received at hotels, auto camps, tourist homes, restaurants, and cafes throughout the United States.[1]

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[1] Under auspices of the U.S. Office of Economic Opportunity, the New Jersey Income Maintenance Experiment was conducted from 1968 to 1971 to measure the cost effectiveness of alternative negative income tax formulas, especially as they may reduce work incentives. The overall cost of the project was some $8 million, $2.4 million of which were direct payments to families based upon one of the formulas under investigation. The experiment was, in many ways, the prototype for several recent large-scale social experiments, including the fair housing audit experiment. For a detailed description of this path-breaking research effort, see David Kershaw and Jerilyn Fair, The New Jersey Income Maintenance Experiment, Volume I: Operations, Surveys, and Administration (New York: Academic Press, 1976).

The strengths associated with the fair housing audit are obvious. It is possible to obtain many more observations of the behavior being studied within the given time and cost constraints by simulating the housing search procedure instead of simply observing, say, the treatment accorded bona fide housing seekers. In addition, mitigating circumstances that could account for differential treatment of housing seekers (that is, circumstances other than discrimination by real estate and rental agents) can be carefully controlled for.

The audit experiment seems uniquely suited for the study of discrimination by sales and rental agents in American housing markets. Not only is the audit capable of yielding an unambiguous and quantifiable measure of discriminatory treatment accorded minority housing seekers, but it also can provide important information about the processes through which discrimination commonly occurs. In addition, by carefully specifying the audit design, one can test basic hypotheses about the motives and factors

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1. For an excellent summary of this and related nonreactive research projects, see Webb, Campbell, Schwartz, and Sechrest, Unobtrusive Measures: Nonreactive Research in the Social Sciences (Chicago: Rand McNally and Co., 1966).

that appear to underlie discrimination in the sale and rental of housing in the United States.

Although the audit experiment was designed to yield objective data for evaluation, an audit can also provide an important source of evidence in fair housing litigation. Indeed, the courts have long accepted the audit (or test) as a valid method for ascertaining whether or not a defendant's denial of housing opportunities to a minority housing seeker is unlawful.[1] Recognizing the potential usefulness of the audit findings for enforcement as well as for evaluation, HUD has made the audit folders available to the U.S. Department of Justice. As of December 1978, Justice had initiated over 100 investigations of suspected discriminators.

MAINTAINING CONTROL AND CREDIBILITY

The inherent problem with experimental manipulation such as the audit is that the more active the investigator becomes in assuring accurate measurement and control, the greater the risk that he will be detected, thereby possibly invalidating the study's results. Hence, the two concerns that dominated the project design from the outset were the need to ensure statistical control and accuracy and at the same time avoid contaminating the data through atypical behavior of either the auditors or the real estate and rental agents. Indeed, "maintaining control" and having "credible housing seekers" were the key phrases throughout the project.

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[1] Fair housing groups throughout the country have published dozens of reports detailing the procedures followed and the evidence produced by testing. See especially Joellyn Kapp Murphy, Audit Handbook: Procedures for Determining the Extent of Racial Discrimination in Apartment Rentals (Palo Alto, California: Midpeninsula Citizens for Fair Housing, 1972); Leopold J. Kovar, Auditing Real Estate Practices: A Manual (Philadelphia: National Neighbors, 1974); Investigation and Auditing in Fair Housing Cases (Chicago: Leadership Council for Metropolitan Open Communities, 1975). Under HUD funding, NCDH is preparing a guidebook for testing based on experiences learned in the project reported here.

Fair housing audits can be controlled primarily by carefully matching the members of the audit team. Ideally, the two individuals of each team should be identical in every relevant way (age, sex, marital status, income, etc.) except the characteristic being tested. Even if every characteristic of two auditors is identical, however, their simulated housing searches obviously cannot be identical, if only because the matched individuals must visit the same office or agent at slightly different times and, therefore, under slightly different circumstances.

The inherent conflict between the objectives of control and credibility was nowhere more evident than in the decision of what housing the auditors should request from the agent and what other information should be volunteered. To be credible housing buyers, for example, auditors were instructed to indicate three characteristics of the type of housing sought--price, number of bedrooms, and general neighborhood location. However, the more identical the housing requests and personal characteristics assumed by the auditors, the greater the likelihood of their being detected as auditors. Consequently, trade-offs between control and credibility had to be made. For example, to have both auditors request the same specific house advertised by the real estate agent would surely have jeopardized the two auditors' credibility. In contrast, specifying no particular housing unit or location would have been atypical behavior for bona fide housing seekers and could therefore also have seriously reduced credibility. To solve this problem, each member of an audit team was instructed to request the same specified neighborhood, which was small enough to represent a plausible request yet broad enough so that the agent would not be alerted to the audit when two housing seekers appearing in a short time requested identical housing.

Control and credibility were just as important in training and supervising the auditors as they were in selecting the auditors and pairing them into teams. Hence, more effort was directed at developing effective training techniques and detailed auditing procedures than at any other aspect of the audit except sampling. The emphasis was on instructing an auditor how to act naturally, like a bona fide housing seeker, without saying or doing anything that might be significantly different from what his teammate might say or do or that might unnecessarily influence the agent's usual behavior. Some indication of efforts to ensure the auditors' consistent and controlled behavior is given in The Manual for Auditors, which is appended to this report.

Separate audit report forms were used for the sales audit and the rental audit. The sales audit required detailed responses to 33 questions, the rental audit to 37. Auditors were also instructed to describe any experiences not adequately reported elsewhere on the forms. A supplementary audit report form was to be completed for each housing unit inspected.

These forms required responses to twelve and nine questions, respectively. (Audit forms are included in appendix C and appendix D.)

Each form went through the same evolution. To begin with, working hypotheses about the treatment real estate and rental agents typically accord housing seekers were used to identify relevant aspects of agent behavior to be examined; each kind of behavior required one or more responses on the appropriate form. Next, previously used audit instruments were studied to identify response formats that seemed most effective in producing accurate and complete auditor reports. All audit report forms were field tested and continuously reviewed and revised until their use in the general audit.

Despite the considerable planning of the design of the audit experiment, the project's complexity dictated the need to test research strategy, instruments, and procedures to determine whether control and credibility could be maintained during audit implementation. Hence, a pilot audit was conducted in Cincinnati, Ohio, in late January and early February 1977. During the pilot five facets of the study were identified for special attention: (1) the adequacy of training methods, instructional materials, and reporting instruments; (2) any start-up problems that might occur such as scheduling practice audits immediately after training was completed; (3) scheduling difficulties once auditing was well underway; (4) the extent to which prescribed debriefing procedures for auditors might adversely influence their objectivity; and (5) the feasibility of having the local audit supervisor prepare the sample of real estate and rental offices to be audited in his area.

What was learned from the pilot audit about debriefing procedures illustrates the pilot's value to the success of the general audit. The original plan called for the audit supervisor to go over the auditors' completed forms with each team immediately after every audit to ensure that everything significant was recorded correctly and that prescribed auditing procedures were adhered to. However, it became obvious during the pilot that the original plans for debriefing risked impairing the auditors' objectivity. Auditors tended to be unduly influenced by each other and by the audit supervisor's questions and comments during debriefing. Consequently, it was decided that, in the general audit, the audit supervisor's debriefing would consist only of carefully checking each auditor's completed forms independently to determine whether they were completely and accurately filled out. (In no case, however, were audit supervisors to change recorded auditor responses.)

The pilot audit provided a vital basis for improving the project design, but training procedures, The Manual for Auditors, and the audit report forms were all continuously refined until shortly before auditing actually began at the chosen sites. Feedback concerning the various proposed instruments and procedures was also continually being received from the people being trained to coordinate and to supervise the nationwide audit as well as from members of both HUD and NCDH management and design teams and their respective consultants.

After a conceptually useful, empirically valid, and administratively feasible design for the audit was determined and field tested, it remained to determine when and where to conduct the audit and how to implement the audit procedures.

Two alternative strategies for conducting the general audit were discussed at length--the blitz and the prolonged audit. The blitz has the advantage of completing the audit quickly before word of the audit has a chance to circulate and thereby possibly invalidate the results. However, by virtually saturating the housing market with auditors during a blitz, the chance of detection increases substantially over what it would be if the audits were conducted over a longer time. The final decision was to conduct the audits at somewhat different rates among the sites; they averaged around 2-1/2 weeks, depending, among other things, upon the availability of auditors and the number of audits to be conducted.

Reliability of the audit results depended upon a variety of factors, many of which could not be completely planned for in advance and others of which could not even have been anticipated. The critical factor, however, was how well the auditors and audit supervisors adhered to prescribed procedures in the following areas across all audit sites: recruiting and selecting auditors, pairing and assigning auditors, training auditors, conducting the audit, and maintaining confidentiality.

Recruiting and Selecting Auditors

Criteria for selecting auditors included credibility, reliability, prior experience as a home or apartment seeker, or experience as a salesperson, in roughly that order of priority. Auditors were also to be low profile and unobtrusive so that they would not draw attention to themselves. Above all, anyone who might be suspected of having his own ax to grind was to be avoided. Of course, auditors had to look either unambiguously black or white.

Pairing and Assigning Auditors

Audit supervisors were responsible for pairing black auditors and white auditors, matching them for age, sex, hours available for auditing, experience, appearance, and apparent socioeconomic status, that is, in every relevant way except skin color. Because they were to simulate "typical" housing searches, auditors were expected to assume specified characteristics precisely and to adhere strictly to the role prescribed in their audit assignment forms. The audit supervisor was careful to avoid sending mature, middle-class audit teams to student neighborhoods or youthful looking teams to neighborhoods with expensive housing.[1]

Training Auditors

Each auditor was to read The Manual for Auditors, a 37-page instructional booklet, before attending the first training session. Throughout training and auditing, auditors were constantly impressed with the importance of adhering strictly to the procedures prescribed in the manual and of maintaining an accurate record of their experiences by correctly completing the audit report forms.

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[1] Preliminary review of the pairing of teammates and of the appropriateness of team assignments indicates that audit supervisors performed these tasks very well. The HUD research team will devote extensive additional effort to examining the pairing of individuals into teams, the matching of teams to assigned real estate offices and apartment complexes, and the influence of these factors on resulting measures of differential treatment.

Audit supervisors were trained by professionals; the supervisors in turn trained the auditors. Their training included extensive role-playing and practice auditing to become familiar with procedures and to learn how to deal with unanticipated circumstances.

Before any auditor conducted an audit, he was required to read the manual, attend the 6-hour training session, perform a practice sales audit and a practice rental audit, and participate in a debriefing and review session. Auditors were paid $50 for completing the training course, with payment contingent upon completion of a minimum number of assigned general audits. (Auditors were also paid for completing each assigned audit.)

Conducting the Audit

Auditing in the selected sites was conducted during May and June 1977. It was judged essential that the audits be completed before July because the summer months are typically slack times in the housing market.[1]

In the rental audit, the black auditor always went first; his teammate followed within an hour. Both auditors requested a particular size apartment but, if told none were available, auditors were instructed to request the same second choice. If the second request was also not available, the auditors asked what was available. If nothing was available, the auditors asked about waiting lists, whether a model apartment could be seen, and so forth, to obtain whatever information about availability that they could.

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[1] The impact of weather on the housing market was learned during the pilot audit in Cincinnati. Auditors were unable to visit sales or rental offices for nearly 2 weeks because of subzero temperatures, heavy snow, and near-blizzard winds. When they were able to visit offices, the offices were often either closed or no one else was looking for housing.

In the sales audit, the white auditor always went first; the black teammate followed within 1 day (with a maximum of 32 hours between the white auditor's visit and the black teammate's visit to the same office).[1] Both members of the team followed the same procedures. They explained what they were interested in, asking for houses of the same size, price, and general neighborhood as specified on their assignment forms. If the requested housing was not available, they asked for alternatives. If the agent handed them a list of available houses and asked them to choose, auditors asked the salesperson to recommend houses. If agents suggested visits to inspect houses, auditors were to accept.

In all cases, auditors were instructed to obtain as much information as possible, casually keeping notes as necessary and as a bona fide housing seeker might naturally do. Filling out the audit report forms fully and accurately immediately after leaving the real estate or rental office was emphasized. (Auditors were to drive far enough away to avoid detection.) Although team members worked in tandem, they were instructed never to discuss their respective auditing experiences or how they completed the report forms. As a quality control measure, auditors were limited to a maximum of two sales or three rental audits in any one day.

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[1] The ideal research design would have been to order blacks' site visits and whites' site visits randomly for both the rental and sales audits, but to do so was judged practically infeasible. The impact of this design decision on observed levels of discrimination is not known. However, it is believed that if it affects results in any way, the effect is likely to be that discrimination levels reported for both the rental and sales markets underestimate the true levels of discrimination in those markets.

Maintaining Confidentiality

An audit that is discovered in process not only is likely to invalidate that particular audit's findings, but is also likely to jeopardize subsequent audits in that area. To minimize the risk of publicizing the audit experiment, prospective auditors were not told what the project involved until their second interview. Then, both those who were selected and those who were not were requested to remain silent about the audit, with the possible exception of telling their spouses.[1] Likewise, the auditors' manual and other auditing materials were treated as confidential. Confidentiality was maintained until the first findings were officially released--April 17, 1978.

SAMPLING PROCEDURES

Sampling design for the Title VIII--Fair Housing Evaluation involved the balanced consideration of the study's two principal objectives. To accomplish the first objective--measuring the nature and extent of existing housing discrimination in the United States--required a sampling design that provides for a minimum number of audit sites and a minimum number of audits to be conducted within each site to ensure that audit findings can be generalized for nonaudit areas. To accomplish the second objective--identifying the social, economic, and demographic factors influencing discrimination--required two things: (1) a sampling design that allows for considerable variation in the values taken by the variables identified _a priori_ as being associated with discrimination, and (2) a sample large enough within a metropolitan area to estimate cross-sectional relationships between the specified demographic and enforcement variables and the observed discrimination against blacks in the sale and rental of housing.

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[1] If during the project an auditor's activities appeared unusual to a friend, relative, or acquaintance, the auditor was to state that he was involved in a housing research project.

SELECTION OF METROPOLITAN HOUSING MARKET AREAS FOR AUDITING

It became clear early in the design phase that each selected audit area should conform as closely as possible to a local housing market area, where the local housing market would include virtually all of the neighborhoods regularly advertised in the housing classified sections of the area's major metropolitan newspaper. Since the audit results were to be correlated with local demographic and socioeconomic data, the standard metropolitan statistical area (SMSA) was selected as the most appropriate geographic definition of a housing market area.

The high cost of collecting original data and of satisfying the study's principal objectives did not permit a very large number of SMSAs to be included in the sample nor a very large number of audits to be conducted within each SMSA. Measuring the nature and extent of discrimination and identifying factors influencing discrimination dictated that audits be conducted in a sufficiently large number of SMSAs and that a sufficiently large number of audits be conducted within each SMSA.

The designers of the study settled on 40 SMSAs as the minimum number of audit sites that would ensure the necessary cross-sectional variation in values observed for the critical policy and control variables. In addition, the designers decided that 30 audits of rental agents and 30 audits of real estate agents would be the minimum number of audits within each SMSA that might yield an acceptable degree of precision in observing racial discrimination within each metropolitan housing market. Conducting a higher number of audits at each site--at the cost of reducing the number of audit areas--would have meant that several key variables would have been observed over an insufficiently wide range of values. Generalizing audit results would have been adversely affected had too few SMSAs been selected.

Important questions about the nature and causes of housing discrimination can be answered only by fairly intensive examination within individual metropolitan housing market areas. For example, by examining recent detailed data about racial composition of neighborhoods, recent growth areas, and so forth, it may be possible to measure racial steering with more precision than has been done previously. Therefore, five of the 40 audit areas were designated in-depth sites, and additional data were obtained for each of them.

1. Each of the five areas was selected partially because it had had a post-1970 special census conducted by the Census Bureau or a recent survey conducted by the R. L. Polk Company, or because it was a Group 1 Annual Housing Survey area.
2. Racial occupancy data for all census tracts in each of the five in-depth sites were updated from the census by a panel of well informed persons.
3. Follow-up personal interviews were conducted with a randomly selected sample of real estate and rental agents who had previously been audited in each of the five in-depth sites. The objective of these interviews was primarily to obtain information about the agents' knowledge and perception of fair housing enforcement efforts and to relate this information to the agents' behavior observed in the audit.
4. In each of the in-depth sites, sales audits were increased to 80 and rental audits to 120 to obtain statistically reliable estimates of relationships among key variables for that particular audit site.[1]

The 1970 census identified 243 SMSAs[2] in the continental United States. To concentrate audits in areas where the largest percentage of the black population resides, all SMSAs having central city populations of less than 11 percent black (the percentage of blacks in the total U.S. population) were excluded. The resulting universe of 117 SMSAs included

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[1] The smaller number of real estate audits reflects, first, the greater amount of information expected from each real estate audit (because of the greater range of agent behavior usually observed) and, second, the greater expected cost per real estate audit (because of the longer time usually involved).

[2] The 1970 definition of SMSAs was used because of the availability of 1970 census data.

94 percent of all blacks living in SMSAs in the United States. Hence, not much of the urban black population was "screened out." However, when nationwide estimates of the prevalence of racial discrimination are presented in subsequent sections of this report, it must be remembered that these estimates refer only to the population from which the sample was drawn.

The 117 SMSAs were divided into two groups--"large" SMSAs and "small" SMSAs--to investigate the possibility that the nature and extent of discrimination in the sale and rental of housing vary systematically with housing market size. Large metropolitan areas (there were 82) were defined as SMSAs with central city populations in 1970 of 100,000 or more. Small metropolitan areas (there were 35) were defined as SMSAs with central city populations in 1970 of from 50,000 to 100,000.

Small metropolitan areas were sampled at a disproportionately lower level than large metropolitan areas for two reasons. First, the ability to generalize estimates of discrimination in American metropolitan housing markets would be increased by sampling more heavily from the large SMSAs because most of the black population resides in large SMSAs. Second, study designers were somewhat concerned that audits would be more difficult to arrange and/or more expensive in small SMSAs because of the expected greater difficulty in finding local groups or organizations with the requisite capability to conduct audits. Hence, of the universe of 117, 32 large SMSAs and eight small SMSAs were included in the audit (see table 1 on page 30).

Variation over all of the major study variables was ensured through a rather complex sample design based on controlled selection.[1] For purposes of the study, variation in five variables was considered important:

1. HUD Title VIII complaint conciliation activity
2. Department of Justice litigation activity
3. impact of local fair housing groups in reducing discriminatory barriers
4. equivalency of state fair housing laws to Federal legislation
5. region of the country.

Controlled selection allows sufficient variation in these variables so that their possible effect on discrimination can be measured.

In essence, the controlled selection sampling technique involved two steps. The 117 SMSAs were stratified into a matrix of cells according to the explanatory variables of interest. Sites were not drawn independently from each cell because the number of cells was large relative to the total number of sample SMSAs; that is, the number of cells (or combinations of variables) exceeded the number of SMSAs that could be selected for auditing. Therefore, patterns of sites were determined to ensure adequate variation of the sample over the strata while at the same time enabling probability selection of the sample. One of several alternative patterns of SMSAs, each ensuring variation in the major sampling variables, was then randomly selected (and constructed so that each SMSA was contained in at least one pattern). The resulting sample of 40 SMSAs includes sites that were selected with certainty (either because the cell sample size equaled the cell population size or because the site was selected before controlled selection sampling) and sites that were selected with a probability less than one.[1]

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[1] A more detailed description of the sampling technique is contained in J.G. Caldwell, Sampling Plan for Selection of SMSAs in the Housing Market Practices Survey (Annandale, Virginia: JWK International Corp., 1977).

Thirty-eight of the 40 SMSAs were chosen by controlled selection; the other two--Milwaukee, Wisconsin, and Stockton, California--were chosen as in-depth sites before controlled selection because they had the most extensive post-1970 census data. A special census was conducted in 1975 in Milwaukee's central city and in several of its suburban communities. A special census covering the entire Stockton SMSA was conducted in 1975; partial Polk data are available for Stockton as well. None of the other SMSAs in the universe of 117 had a special census except for a few scattered suburbs of some SMSAs.

The second consideration in choosing in-depth sites was geographical spread. Since SMSAs had been chosen in the North Central region (represented by Milwaukee) and in the Western region (represented by Stockton), it seemed desirable and logical to choose the remaining three in-depth sites from the Northeast, the Southeast, and the Southwest. A further consideration in choosing in-depth sites was to choose SMSAs with particular characteristics that may affect discriminatory patterns or practices in the housing market in some special manner and therefore may warrant special in-depth investigation. Stockton was an ideal choice because it has an especially large nonblack minority population. A southern SMSA seemed to be a logical choice for in-depth auditing because of the apparently unique black-white residential living patterns and disparity between black and white incomes in southern SMSAs. The final consideration was that three of the in-depth sites should be as similar as possible, especially in terms of the size of their total and black populations, their residential living patterns, and their housing market activities.

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[1] Estimates of discrimination reported take account of the probabilities of site selection (see footnote 2 on page 49).

The design team designated Boston, Massachusetts, and Dallas, Texas, as in-depth sites because these two SMSAs satisfy most of the considerations for the in-depth sites, including the desired geographical spread. Boston and Milwaukee are old established industrial cities, and Dallas is the SMSA in the Southwest that resembles Boston and Milwaukee most closely. All three have the same residential living pattern: a predominately black central city population ringed by predominately white suburban communities. All three were also thought to have established fair housing or other groups capable of conducting extensive auditing in a short time.

Several weeks after picking Stockton as one of the in-depth sites, the design team reconsidered its selection, primarily because advertisements in a Sunday newspaper included few apartments. In fact, to audit 120 rental complexes would have required audit teams to visit each advertised complex an average of three separate times. The team therefore concluded that this much repetition would probably compromise the audit. Moreover, Stockton did not have an especially strong fair housing group capable of carrying out an in-depth audit.[1]

Sacramento, California, was selected to replace Stockton as an in-depth site for three reasons. First, Sacramento was among the 38 SMSAs chosen by controlled selection. Second, Sacramento is larger than Stockton, thereby providing more apartment complexes to audit. Third, Sacramento would maintain the desired geographical spread of in-depth sites.

None of the southern SMSAs picked by controlled selection seemed to satisfy all requirements for an in-depth site. In addition, few of the sites had local fair housing groups capable of conducting in-depth audits, and few fit the model of an "old South" city. Therefore, the design team eventually included Atlanta, Georgia, in the sample as an in-depth site, partly because it had a local group capable of conducting an in-depth audit and partly because it approximated the model of an "old South" city.

Because Atlanta was selected independently of the sample selection process for the other 39 audit sites, its inclusion at this time was equivalent to its inclusion with certainty in the original sample. Furthermore, since the selection probabilities for the sample patterns

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[1] After all sites were selected, unexpected difficulties in securing an audit subcontractor were encountered in Boston.

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including Atlanta were unchanged and since Atlanta was the only site in its cell, the selection probabilities and the weights for the other SMSAs (in other cells) were unaffected.

It was decided, however, that since Atlanta was added one of the SMSAs in the Southeast region must be dropped to ensure smooth survey management. The SMSAs in that region were as follows.

SMSA	Probability of Selection
Asheville, NC	1.00
Ft. Lauderdale-Hollywood, FL	1.00
Greenville, SC	.20
Knoxville, TN	.14
Macon, GA	1.00
Savannah, GA	1.00
Tampa-St. Petersburg, FL	1.00

Removing either Knoxville or Greenville would have had the least impact on the spread of the sample since these SMSAs have middle-level values for the stratification variables. Hence, the design team decided to remove one of these areas, with the probability of removal determined so as to result in the same weight for whichever site remained in the sample. This condition was achieved by setting the probability of inclusion for Knoxville at 0.5882. A random number was selected, and Greenville was selected as the SMSA to retain. The net probability of inclusion for Greenville is 0.2(1-0.5882) = 0.08236, corresponding to a weight of 12.14. Table 1 includes the probability of selection and corresponding weight for each of the 40 SMSAs in the final sample.

TABLE 1
SMSAs INCLUDED IN AUDIT

SMSA	Probability of Selection	Weight
Large SMSAs		
Akron, OH	1.00	1.00
Albany-Schenectady-Troy, NY	.17	5.88
Atlanta, GA	1.00	1.00
Boston, MA	.40	2.50
Canton, OH	.50	2.00
Cincinnati, OH-KY-IN	1.00	1.00
Columbus, OH	1.00	1.00
Dallas, TX	.40	2.50
Dayton, OH	1.00	1.00
Detroit, MI	.25	4.00
Fort Lauderdale-Hollywood, FL	1.00	1.00
Fort Wayne, IN	1.00	1.00
Fort Worth, TX	1.00	1.00
Hartford, CT	1.00	1.00
Indianapolis, IN	.70	5.00
Lexington, KY	.80	1.25
Los Angeles-Long Beach, CA	1.00	1.00
Louisville, KY-IN	.80	1.25
Macon, GA	1.00	1.00
Milwaukee, WI	1.00	1.00
Nashville-Davidson, TN	.05	20.00
New York, NY	1.00	1.00
Oklahoma City, OK	1.00	1.00
Paterson-Clifton-Passaic, NJ	.25	4.00
Peoria, IL	1.00	1.00
Sacramento, CA	1.00	1.00
San Bernardino-Riverside-Ontario, CA	1.00	1.00
Savannah, GA	1.00	1.00
Springfield-Chicopee-Holyoke, MA-CT	.25	4.00
Stockton, CA	1.00	1.00
Tampa-St. Petersburg, FL	1.00	1.00
Tulsa, OK	1.00	1.00
Small SMSAs		
Asheville, NC	1.00	1.00
Greenville, SC	.08	12.14
Harrisburg, PA	1.00	1.00
Lawton, OK	.15	6.67
Monroe, LA	1.00	1.00
Saginaw, MI	.20	5.00
Vallejo-Napa, CA	1.00	1.00
York, PA	.20	5.00

SELECTION OF REAL ESTATE AND RENTAL AGENTS FOR AUDITING IN EACH SMSA

Information about sales and rental agents can be obtained from several sources, including telephone directory yellow pages, rolls of professional organizations and licensing agencies, and multiple listing services, to name just a few. For this project, the sample of individual real estate agencies and apartment rental complexes to be audited was selected from classified newspaper advertisements for three reasons.

First, the audit methodology dictated that as many aspects of a typical housing search be simulated as was possible, including the way housing seekers most commonly identify and contact real estate and rental agents. Although some evidence suggests that housing seekers learn about available housing primarily through personal contacts, classified advertisements in newspapers appear to be the leading formal source of information. In the absence of strong evidence to the contrary, it is also assumed that blacks and whites rely equally upon classified newspaper advertisements for housing information.[1]

Second, the real estate and rental offices selected for auditing should be a sufficiently representative sample so that audit findings can be generalized to the entire metropolitan area housing market as well as compared across SMSAs. Therefore, real estate and rental offices had to be selected in a reasonably consistent and systematic way across all 40

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1. For a survey of the limited literature that exists in this area, see Ann B. Schnare, Equal Opportunity in Housing: Some Options for Research (Washington, D.C.: The Urban Institute, 1976), pp. 16-17.

SMSAs. Again, classified newspaper advertisements seem to provide the appropriate sampling universe. Casual observation suggests that the distribution of agencies advertising housing units for sale or rent in the local newspaper is a reasonably stable cross-section of each SMSA's housing market, with larger firms, agencies, and offices being disproportionately represented among newspaper advertisers in size as well as in frequency of advertisements.[1]

Third, market power, in addition to a representative and consistent sample of real estate and rental agents, is an important consideration. For real estate firms especially, the number of properties listed in newspaper advertisements seems to reflect the firms' abilities to affect minorities' access to housing. Therefore, each real estate advertisement by an agency was assigned as many numbers as there were specific housing units listed in the advertisement, which assumes that the number of property listings is a reasonable proxy for the advertising agency's size as reflected in its share of the real estate market. Places to audit were selected randomly from among the total numbers assigned.

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1. This observation was supported by analysis of real estate advertising practices in Cincinnati, the pilot site for the audit experiment. Firms selected for inclusion in the pilot audit sample (where selection was based on the number of advertised properties rather than the number of advertisements) were found more likely to also advertise in a housing seekers' guide than were firms not included in the sample. Moreover, advertising offices showed the same distributional pattern as house sales and advertised properties.

For the rental market sample, each item advertisement was assigned one number, and each display advertisement was assigned two numbers.[1] Again, places to audit were selected randomly from among the total numbers assigned. The greater weight given display advertisements was based on the results of a random telephone survey of apartment rental agents in the Washington, D.C., metropolitan area who had previously advertised vacancies in an area newspaper. Those agents running display advertisements were about half again as likely to have one or more vacancies remaining when they were contacted than were agents running item advertisements. Assuming the higher probability that display advertisers of rental units have vacancies also implies that these advertisers have greater influence over access to rental housing than do item advertisers. Therefore, each rental display advertisement was assigned two numbers and each item advertisement one number; a rental agent running a display advertisement was twice as likely to be included in the audit sample as was a rental agent running an item advertisement.

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1. A rental "display" advertisement was defined as an advertisement in which either the name or the address of the apartment building or complex was printed in italicized type or in type larger than that used for the remainder of the contents. This operating definition of display advertisement was determined after careful review both of newspaper advertising practices and of alternative newspaper sampling techniques (e.g, defining display advertisements by column-inches of space). This decision resulted in remarkably few instances in which it was difficult to determine whether an advertisement was an "item" advertisement or a "display" advertisement.

In the future it may prove useful to investigate further the characteristics of the real estate agencies and apartment rental complexes included in the samples for each of the audit areas vis-à-vis the characteristics of agencies and complexes that might have been selected for auditing through some alternative sampling technique. Based upon experience to date, however, there is little reason to doubt the appropriateness of identifying real estate and rental agents for auditing by randomly selecting from among their weighted classified advertisements in a newspaper.

Some difficulties were encountered during sampling. Four in particular should be noted. First, in some SMSAs more than one major newspaper serves the entire housing market. Study designers relied on the judgment of local housing market participants and observers, circulation statistics, and total numbers of housing advertisements as bases for choosing the newspaper from which to extract the audit sample. In a few sites, more than one newspaper was used to select the audit sample because using more than one newspaper was necessary to adequately cover the entire housing market.

Second, to conduct the audit consistently across 40 SMSAs by interviewing only those agents most likely to be encountered by typical housing seekers required excluding from the sampling universe all advertisements for commercial and investment properties, properties located outside the SMSA, properties for sale by the owner, houses costing $100,000 or more, condominiums for sale and for rent, new houses for sale by developers, houses for rent, and apartments for rent in two- and three-family houses. Excluding such properties was not always easy and in at least one SMSA, it was necessary for the audit supervisor or an assistant to drive by the selected property to determine whether it satisfied the sampling criteria before it was assigned to an audit team. In essence, the sample was limited to the sales market for existing houses and the rental market for apartments in complexes with four or more units, thereby permitting more simplified and uniform audit procedures.

Third, a difficult decision was whether or not to audit a particular office more than once if it appeared more than once in the random sample. Although multiple auditing of a particular office complicates the conduct of an audit, it also adds precision to an estimate of discrimination for the SMSA. If an apartment complex has two or more display advertisements in the same day's newspaper or if a real estate firm lists a significantly larger number of properties in its advertisements than other firms, that apartment complex or real estate firm apparently is much more active than the average firm. Accuracy is enhanced if these complexes and firms are audited in accordance with the number of properties they advertise, since the probability of a typical housing seeker's selecting these firms depends on their exposure through advertising. Moreover, repeated audits of the same real estate office is the only method for investigating whether discrimination tends to be officewide or on an individual basis.

While the design team concluded that strict adherence to the original sampling design, including multiple auditing, was imperative, it also recognized that multiple auditing of a particular office would greatly increase the risk of disclosure and jeopardize the validity of uncompleted audits. Therefore, the team decided that second and subsequent audits of the same sales or rental office would be deferred until all offices in the sample had been audited once, thereby minimizing the risk of compromising the overall audit. (No audit team was assigned a particular office more than once.)

In only two of the 40 SMSAs is there reason to believe that auditing was detected. In Milwaukee a highly publicized fair housing suit was being conducted at the time of the audit; hence, at least some housing sales and rental agents were clearly suspicious that auditing was going on, judging from the increased frequency of inquiries made to the local organization sponsoring the audit. In Atlanta an auditor having had prior experience as a fair housing tester was inadvertently assigned to audit a real estate office where he was recognized as a tester. In both SMSAs, auditing is well known and frequently conducted so that publicity about another audit in progress would be unlikely to occasion any significant change in behavior on the part of housing sales and rental agents.[1]

Fourth, the sheer logistics of selecting a sample of sales and rental offices to be audited proved to be nearly overwhelming. The original plan was to have each audit supervisor select sales and rental samples from the most recent Sunday edition of the local newspaper. Audit supervisors would use strictly prescribed methodology for excluding, numbering, and weighting advertisements; for selecting the designated number of offices to be audited through use of a table of random numbers; and for completing an audit assignment form for each identified sales and rental office.

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[1] There is reason to believe that publicity about auditing in progress may not be a critical factor in measuring agents' discriminatory behavior; in some previous fair housing audits, no significant change in the level or frequency of discrimination was observed, even when it became known that an audit was in progress.

Of all the lessons learned from the pilot audit, foremost was undoubtedly the importance of selecting audit samples for all 40 sites at project headquarters in Washington, D.C. Sampling proved to be far too complex and time-consuming for the audit supervisor to perform during the pilot audit. Indeed, based on this experience, it was clear that great variation in sampling would have resulted if done at each of the sites. By selecting the sample at headquarters, strict sampling consistency was maintained across all 40 audit sites, a critical factor in ensuring that the audit findings are valid and comparable.[1]

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[1] For nine of the 40 audit sites, display sales advertisements were inadvertently assigned only one number each instead of being weighted in proportion to the number of housing units listed for sale in each of the advertisements. As a consequence, larger real estate agencies tended to be underrepresented in the samples selected for these nine SMSAs. A weighting adjustment was subsequently made to correct for the initial sampling error.

PLANNED DATA ANALYSIS

Data obtained from the audit will be analyzed in two main ways. First, this report develops measures of discrimination in the sale and rental of housing that are based upon observed differences in the treatment accorded blacks and whites who visited real estate and rental offices in search of housing. Second, factors or forces that might account for the existence and persistence of the measured discrimination in the housing market--including fair housing enforcement--will be investigated. (This latter use of the data will be the subject of future reports.)

Conceivable and plausible measures of housing discrimination are virtually unlimited; several are included in this report.

1. Discriminatory measures are presented for the nation and by SMSA, census region, and SMSA size.
2. Separate measures of discrimination are presented for the racially differential treatment of blacks and whites with respect to services and courtesies extended housing seekers, terms and conditions quoted them, housing opportunities offered to them, and amount of information volunteered to them or requested from them.
3. Separate measures of discrimination are developed for sales and rental markets.

Two statistical concerns dominated the first phase of the analysis: combining individual instances of differential treatment of blacks and whites into composite indices that may be more revealing of discriminatory patterns, and estimating the magnitude as well as the existence of differential treatment for alternative measures of discrimination.

In subsequent analyses, the equal or differential treatment accorded two members of the same audit team will be explained through multivariate statistical analysis. Independent (explanatory) variables thought to account for differential treatment accorded black and white housing seekers are suggested from a variety of sources--economic theory, previous empirical research, anecdotal evidence, and the informed judgment of individuals having long experience in the area of fair housing. These suggested variables can be divided into three basic sets of factors:

1. characteristics of housing seekers (e.g., their age, sex, income level, and race)
2. characteristics of housing agents (e.g., their perceptions of fair housing enforcement activities and the size of the firm for which they work)
3. characteristics of the housing market and the socioeconomic environment in which it operates (e.g., policies and actions by both public and private fair housing organizations, perceptions of these policies and actions by the housing market agents, and competition within the housing market under consideration).

Although the audit is the keystone of the overall research and evaluation project involving fair housing, other components--for example, a study of differences in prices paid by blacks and whites for similar housing and an interview survey of real estate and rental agents--are designed to dovetail closely with the audit in three respects. First, they will yield important ancillary information explaining or predicting measured variation in discrimination. For example, follow-up interviews with a sample of audited real estate and rental agents will provide useful information about agents' perceptions and understanding of fair housing policy and its administration. This information is likely to account for some of the variation in the nature and extent of housing discrimination as measured by the audit. Second, the results of the ancillary research also complement the audit by increasing confidence in the audit results. For example, confidence in the pattern of discrimination as measured by the audit is increased if this pattern coincides, say, with the pattern of price differentials paid by blacks and whites for comparable housing. Third, the validity of using price differentials, segregation indices, and attitudinal surveys as proxies for racial discrimination is also tested by comparing these patterns with the pattern of discrimination as measured by the audit.

PROJECT MANAGEMENT AND PROCEDURAL ISSUES

The fair housing audit was divided into three distinct phases--design, performance, and analysis. They involved four, three, and two research tasks, respectively:

- design
  - research strategy
  - instruments
  - procedures
  - site selection and sampling
- performance
  - pilot audit
  - general audit in 40 SMSAs
  - data collection and data processing
- analysis
  - measuring discrimination
  - identifying discrimination determinants, particularly the effect of fair housing enforcement.

Management of the project during its design was deliberately structured so as to permit maximum adaptation and modification, and unlimited ideas from many people. NCDH was contractually responsible for overall administration and control of the audit; the project director was responsible for planning, organizing, managing, and supervising all aspects of the audit itself. Experts in two areas--technical and statistical services and fair housing audits--supplemented the NCDH administrative and resource staff. The HUD team worked in tandem with the contract team. It also obtained specialized expertise in technical and statistical services and fair housing audits.

This parallel management and planning structure proved to be especially effective during design because the two teams served as checks on each other. As a result, considerable confidence was developed in the overall project design because both teams almost invariably anticipated the same problems and usually settled on the same approach for dealing with them. Various members of the HUD and NCDH project teams met or consulted with each other almost daily to coordinate design, inform other members of the team about progress, and reconcile disagreements.

One of the principal questions about strategy for conducting the audit was whether auditors should be selected from each of the 40 SMSAs or whether full-time auditors should conduct all the audits. The two primary reasons for selecting auditors from each SMSA were that local auditors were familiar with the local housing market and using local auditors would minimize travel costs.

The decision to use local auditors dictated the management structure for the project. Some 600 individual auditors were supervised by 40 audit supervisors (one in each SMSA), who were supervised by six regional coordinators (each having responsibility for from five to eight SMSAs and audit supervisors).[1] The project director oversaw the entire structure.

The regional coordinators were charged with selecting a sponsoring local organization and a qualified audit supervisor in each SMSA. In addition to serving as liaison between project headquarters and the audit supervisors in their respective regions, the six regional coordinators helped train all of the audit supervisors.

The audit supervisors and the auditors were the keys to the success of the audit. The supervisors recruited auditors, paired them into credible teams, trained the auditors, assigned audit visits, checked completed audit report forms, and gathered considerable ancillary information. The success of the project depended on the supervisors' willingness to comply with the procedures outlined in the instructional materials to ensure that audits were conducted uniformly.[2] Despite the fact that many of them had previous experience with fair housing audits--conducted in quite disparate ways and with varying degrees of complexity--they all became convinced of the crucial importance of uniformity and control to the success of the

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1. The original plan was to group the 40 audit areas into five regions of eight SMSAs each. Eight areas was judged to be the maximum that any one coordinator could manage effectively; cost would be minimized by employing only five coordinators. However, the selected sample of 40 SMSAs clustered logically into six rather than five geographical groups: Northeast, Great Lakes, Mid-Central, Southeast, Southwest, and West. These regions were defined for administrative purposes only and have no significance as statistical or analytical units.

2. In addition to The Manual for Auditors, three separate instructional manuals were developed. They detailed procedures for audit supervisors and regional coordinators, and for auditor training.

project. The slogan became, "There may be 40 different ways to conduct an audit, but in this project there is only one correct way."

CONTROLS AND SAFEGUARDS

To minimize possible ambiguity in and misinterpretation of the audit results, the design team made every effort to standardize the audit procedures and to quantify the auditors' reported experiences. By matching the auditors and their respective auditing situations as closely as possible and by developing audit report forms that allowed little or no opportunity for value judgments, the designers ensured that the differential treatment of blacks and whites was measured objectively.

An underlying objective of this project has been not only to measure the nature and extent of discrimination in housing but also to detect and document the frequency with which housing is readily accessible for all families, regardless of race. To protect the welfare of honest and law-abiding citizens involved in the sale and rental of housing, the audit was structured to obtain only the minimum information needed to achieve the project's objectives and to require the least amount of time and effort from agents. Although follow-up visits or efforts to obtain financing would have shown a much more comprehensive picture of the nature and extent of discrimination, the audits consisted of a single visit to avoid excessively burdening the agents.

LIMITATIONS OF STUDY

Budgetary, administrative, and conceptual constraints limited this investigation. Some difficult choices had to be made regarding where to audit, whom to audit, and how long to continue each audit. Consequently, the audit findings are also limited in several important respects.

1. The general audit was limited to 40 SMSAs in the United States from among the 117 subject to sampling. Therefore, the measured discrimination reported in this report should be interpreted cautiously, especially with respect to its relevance for and applicability to areas not subject to inclusion in the sample. Although the 40 sites represent the 117 metropolitan housing market areas, all reported indices of discrimination may have only limited applicability for metropolitan areas not subject to inclusion in the sample and little or no applicability for nonmetropolitan areas.

2. Although fair housing is guaranteed to all Americans, the audit was limited to measuring the achievement of this goal for black Americans. Budget constraints meant that it would not be possible to conduct enough individual audits throughout the nation to ensure that statistically valid results would be obtained if discrimination against more than one minority group were measured. Therefore, it was decided to develop the basic model of discrimination that seems most pervasive and about which the greatest body of prior research exists (that is, housing discrimination against blacks) before attempting to generalize the model of housing discrimination to other minority groups.[1]

3. Auditing cannot detect all forms of racial discrimination. Because none of the audits included putting down a security deposit or application fee, the audits undoubtedly failed to uncover some important forms of discriminatory behavior. This problem is more relevant for the sales market, where discrimination in financing

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[1] Thus far, no evidence has been found to indicate that forms of discrimination in the sale or rental of housing differ significantly among minority groups; however, one possible way to test the model of discrimination developed for blacks is by using the model to investigate discriminatory practices encountered by other minority groups during housing searches. To this end, HUD recently completed an experimental audit to measure discrimination against Hispanic-Americans.

may be especially important in reducing blacks' access to housing markets.

4. Excluding certain types of rental and sales properties--e.g., investment properties, units for rent in two- and three-family houses, houses advertised by builder/developers--was necessary to avoid unduly complicating audit design and implementation. However, these exclusions preclude generalizing discrimination estimates to portions of the rental and sales markets that were excluded from the sample universe. For example, some argue that discrimination against blacks seeking rental units in small multifamily structures, especially two- and three-family houses, is greater than discrimination against blacks seeking units in large apartment buildings and complexes. If this hypothesis is true, rental discrimination levels reported may underestimate actual rental market discrimination considerably because the audit sample is biased to include larger buildings and complexes and excludes very small multifamily structures entirely. The magnitude and direction of the effects of exclusions are indeterminant. Also, since sampling was based on advertisements, the estimates do not reflect discriminatory behavior by agents who do not advertise.

5. Finally, the results reported here relate only to a simulated housing search process. Relatively little is known about how households--both blacks and whites--actually search for housing and about how the search process may vary by region and by site.

CHAPTER 2

RACIAL DISCRIMINATION IN THE RENTAL HOUSING MARKET

The audit provides a carefully controlled situation in which to observe the form and extent of discrimination in the rental housing market. To ensure consistency, the black member and the white member of the audit team made the same type of approach when visiting the rental complex. The black team member visited the apartment rental complex first; the white followed within an hour. Auditors arrived at the rental complex unannounced. Occasionally, audit supervisors called to ascertain the location of the rental complex or the hours when the office was open. They did not ask about vacancies, give their names, or make appointments. Audit supervisors made these calls at least 2 days before the audit team visited the rental complex.

Immediately after leaving the rental office, each auditor drove to a location where the rental agent could not observe him and independently completed the standardized forms. Although team members worked in tandem, they were never to discuss with each other their encounters with rental agents. Filling out the audit forms fully and accurately was emphasized, because the paired responses for each audit team form the basic unit of observation, or "case," for the analysis. Responses for each of the items under investigation are compared for each case; that is, the black auditor's responses are compared with the white auditor's responses to determine whether they received equal services and information.

The Rental Audit Report Form is nine pages long and contains 37 questions (see appendix C). For this initial report, responses to the 37 individual items have been grouped into five categories:

- housing availability
- courtesy
- terms and conditions
- information requested
- information volunteered.

The first five parts of this chapter examine differential treatment for various items under each of the five categories, derive aggregate indices of differential treatment, and investigate the relationship between the index of housing availability and indices for each of the other four categories. Subsequent parts discuss, in general terms, the audit results when the cases where team members saw different rental agents are deleted, the audit results when differential treatment of teammates is measured somewhat differently from the earlier parts of the chapter, and some of the limitations of the analysis of the rental housing market.

The treatment accorded two auditors of the same team can be broadly classified in two ways: either teammates were treated differently, or they were not. All the principal tables of this report use this classification. If no difference was observed in the treatment accorded two members of the same team, the case was classified "no difference,"[1] and the frequencies with which cases were so classified are presented in the first column of the tables. If something occurred for one auditor but not the other, the frequencies with which this differential treatment was observed are recorded in the second and third columns of the tables. The fourth column presents net differential treatment, and frequencies presented in the fourth column are interpreted as systematic differential treatment that can be explained only by the race of the auditors.

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[1] Choosing the appropriate terminology for classes of cases was difficult. For example, if no difference in treatment of two members of a team

The focus of the analysis is the measurement of treatment accorded the white auditor versus treatment accorded the black auditor; therefore, if an answer for one of the individual items was not recorded for either the white auditor or the black auditor, the individual item for that particular case is not analyzed. Both in The Manual for Auditors and during the training of auditors, it was stressed that auditors record their experiences and observations fully and accurately. Consequently, fewer than 1 percent of the individual items were missing for the white auditors,

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was observed, the case could be classified "treated equally," "treated identically," "treated the same," or "treated no differently." Each of these terms has several connotations, one of which is that both auditors received some service or were treated in some way. The term "no difference" means simply that no basis existed for classifying a case as one in which two members of the same team were treated differently. Thus, if two teammates received no service, there was "no difference" in their treatment. If teammates received the same, or the same amount of, service, there was also "no difference" in their treatment. A finding of differential treatment of two auditors on a particular item does not necessarily mean that discrimination was observed, because it is rarely possible to classify a single instance of differential treatment (either on an item or on an entire case) as clear evidence of discriminatory behavior. Only systematic differential treatment is likely to be evidence of discrimination. Therefore, items are aggregated within cases, and cases are aggregated across items and groups of items.

while fewer than 2 percent of the items were missing for the black auditors.

The level of measurement for these categories is ordinal; therefore, the sign test[1] is used to determine whether or not the treatment accorded white auditors and the treatment accorded black auditors exhibit statistically significant differences.[2] The null hypothesis is simply that the frequency with which cases are assigned to columns 2 and 3 will be equal. That is, for those cases in which differential treatment occurred, the number of instances in which differential treatment favored white auditors is compared with the number of instances in which differential treatment favored black auditors. Some differential treatment of two prospective renters could be expected even if both prospects were identical in all characteristics, *including* race. However, if differential treatment had nothing to do with the race of prospective renters, then the number of instances favoring whites should equal the number of instances favoring blacks (especially if a large number of cases are to be examined). The sign test is used to test this hypothesis. It examines only those instances in which one member of a team was treated differently from his teammate, and the results allow determination of the probability that the observed differential treatment could have occurred by chance.[1]

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[1] The sign test is a nonparametric test of statistical significance that is particularly appropriate for data sets in which observations are paired, such as that of the audit, and for data in which outcomes can be ranked only as "better" or "worse," "more" or "less," etc. That is, the sign test is appropriate for ordinal data. For further information, see Sidney Siegel, Nonparametric Statistics for the Behavioral Sciences (New York: McGraw-Hill Book Co., 1956), pp. 68-75. See also footnote 2 below.

[2] Controlled selection--a form of stratified sampling--was used to select SMSAs. The number of audits per SMSA represented varying proportions of the total number of available housing units per site (as approximated by the number of advertised properties in the newspapers from which samples were drawn). Therefore, statistical adjustments were performed so that outcomes of individual cases would represent the 117 SMSAs from which sample sites were selected. Statistical adjustment of unweighted data is usually necessary if samples are not drawn by pure random selection. Two types of adjustments were made: (1) weighting individual observations by a factor inversely proportional to the probability of selecting the SMSA and to the probability of selecting the real estate office or apartment complex audited, and (2) multiplying each observation by a fractional constant so that tests of statistical significance could be performed. Because tests of significance are strictly valid only for samples randomly drawn, results of significance tests are approximate. Since some doubt about the precise strategy by which to perform adjustments exists, an approach was followed that tended to reduce the number of items for which differential treatment was found to be statistically significant. (For example, results for the Western census region are based on adjusted sample sizes that are even smaller than unadjusted sample sizes, contributing to the relative infrequency with which results for the West are reported as statistically significant.) Results of analysis performed on adjusted samples usually differ very little from results of analysis performed on unweighted, unadjusted data. Results of analyzing unweighted, unadjusted data are not reported but are available upon request.

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[1] Whether the difference between the frequency with which whites were favored and the frequency with which blacks were favored is statistically significant depends not on the total number of cases but on the number of cases excluding those in which teammates were not treated differently. Since percentages are used in report tables, it is not always readily apparent why the same percentage differences can in one instance be statistically significant and in another instance not be statistically significant. The reason is the difference in the number of relevant cases between the two situations.

HOUSING AVAILABILITY

INDIVIDUAL ITEMS

Fair housing audits focus on housing availability for two important reasons. First, differential treatment on housing availability is clearly a violation of Title VIII of the Civil Rights Act of 1968. Second, differential treatment on housing availability is the most fundamental form of discriminatory practice that an apartment seeker might encounter: If an apartment seeker is given false information on the availability of housing, all the other categories (courtesy, terms and conditions, information requested, and information volunteered) lose much or all of their importance.

Both auditors requested the same apartment size when they visited the rental complex. If their first choice was not available, both auditors then requested the same alternative choice.[1] If the second request was not available, then the auditors asked what was available. Auditors did not take forms or folders into the office of the rental agent, but they took careful notes on materials distributed by the rental agent or on blank pieces of paper.

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[1] The second choice was determined as follows. If the auditors requested an efficiency apartment and were told that none were available, they requested a 1-bedroom apartment. If they requested a 1-bedroom apartment and were told that none were available, they requested a 2-bedroom apartment. If they requested a 2-bedroom apartment and were told that none were available, they requested a 1-bedroom apartment. If they requested a 3-bedroom apartment and were told that none were available, they requested a 2-bedroom apartment. According to the Annual Housing Survey, there are more 1-bedroom apartments than 3-bedroom apartments in the United States. Therefore, to maximize auditors' chances of finding available apartments when they were told their first choice of a 2-bedroom apartment was not available, they were instructed to specify a 1-bedroom rather than a 3-bedroom apartment as their second choice.

The key housing availability items are:

- the total number of apartments the agent volunteered as available
- the total number of apartments inspected
- the existence of a waiting list
- the length of the waiting list.

Table 2 presents the audit results for housing availability items. The results show clear and substantial differential treatment of blacks and whites. Differential treatment for each item is statistically significant at the 0.01 level. (The "level" of statistical significance is the maximum probability that the observed outcome would occur by chance. Thus, "statistically significant at the 0.01 level" means that the reported results would have occurred by chance no more than 1 in 100 times. See footnotes on pages 49 and 50 for further discussion of statistical significance tests.[1]) When asked about apartment availability, agents treated audit teammates no differently in 60 percent of the cases, but when differential treatment occurred, whites were favored 30 percent of the time and blacks were favored 11 percent of the time. The table does not indicate that 83 percent of the white auditors and 66 percent of the black auditors were told that an apartment was available immediately or that an apartment would be available within the next month. In contrast, 8 percent of the white

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[1] Two-tail tests of significance were performed for individual items.

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TABLE 2

HOUSING AVAILABILITY

(Percent)

	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	NET DIFFERENCE
APARTMENT AVAILABILITY (1,515)	60	30	11	19***
FIRST OR SECOND CHOICE (951)	98	2	0	2***
APARTMENTS VOLUNTEERED (1,218)	40	42	18	24***
APARTMENTS INSPECTED (1,219)	51	27	21	6***
WAITING LIST (134)	41	41	19	22***

NOTE: (1) Percentages in first three columns may not total 100 because of rounding.

(2) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level.

(3) Numbers in parentheses are the unweighted number of cases; tests of significance were performed on an "adjusted" sample size of equal magnitude. See footnotes on page 49.

auditors and 18 percent of the black auditors were told that no apartments were available.

If the rental agent told both team members that an apartment was available immediately or that an apartment would be available within the next month, that apartment was either the first or second choice of both team members 98 percent of the time. In the remaining 2 percent of the cases, only the white auditor was told that his first or second choice was available.

If the rental agent told both members of an audit team that an apartment was available or that an apartment would be available within the next month, teammates were treated no differently 40 percent of the time in terms of the number of apartments the agent volunteered that were available; however, more units were volunteered to whites 42 percent of the time, and more units were volunteered to blacks 18 percent of the time. Likewise, the team members inspected the same number of apartments 51 percent of the time; whites inspected more apartments 27 percent of the time, and blacks inspected more apartments 21 percent of the time.

When the requested apartment was not available, agents gave the same information on the length of the waiting list to teammates in 41 percent of the cases. When agents gave teammates different information about the length of the waiting list, the white was favored 41 percent of the time, and the black was favored 19 percent of the time.

INDEX OF HOUSING AVAILABILITY

Each individual item in the five categories of treatment provides important information about the manner in which rental agents treat black customers and white customers. However, a fuller understanding of the problem of differential treatment can be achieved by combining responses to individual items. For example, in some categories, such as courtesy, whites were treated better on some individual items and blacks were treated better on others. It is possible that when the individual items are combined, systematic differential treatment may appear. More importantly, a method is needed to determine the overall frequencies with which blacks experienced discriminatory treatment within a particular category.

One of the initial goals of the Title VIII--Fair Housing Evaluation is to determine the frequency with which blacks may encounter discrimination in the rental housing market. Because of the fundamental importance of accurate information on whether housing is available, the housing availability category was chosen as the principal measure of housing discrimination. However, the individual items by themselves may not give an accurate estimate of the frequency with which black auditors were treated less favorably than their white teammates. For example, 19 percent of the rental agents audited gave blacks less favorable responses to the question of whether a unit of a specified type was available. Similarly, 24 percent of the rental agents audited volunteered fewer apartments to blacks than to whites. If blacks who were volunteered fewer units were also treated less favorably with respect to being told whether a unit of the size they requested was available, then the combined frequency with which blacks were treated less favorably than their white counterparts would be no more than 24 percent. However, if there is no overlap between cases in which blacks were treated less favorably with respect to being told whether a unit of the size they requested was available and cases in which blacks were volunteered fewer units, then the combined frequency with which blacks were treated less favorably than whites would be 43 percent. That is, rental agents may have used different techniques to restrict the choices for black apartment seekers, and a technique must be found to determine whether differential treatment of black auditors on individual items was cumulative or substitutive.

This part develops an aggregate index for the purpose of estimating the overall frequency of a particular form of discriminatory treatment. The technique developed is used repeatedly throughout the report.

The number of categories in which to aggregate individual items and the number of items to aggregate for each category must be selected carefully. If too few (or too many) categories are selected or if many items are excluded, the nature and extent of discrimination may be obscured. Therefore, great care was taken to ensure that the means by which indices of discrimination were constructed did not distort auditors' actual experiences.[1]

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[1] The treatment received by one auditor might be compared with that received by his teammate in many ways. This report contains results

The following criteria were used to derive the aggregate index of housing availability:

- If the rental agent treated both auditors no differently on all items, the index is classified as "no difference." If the case is ambiguous, with both the white and the black favored on at least one item, the index is also classified as "no difference."
- If the rental agent treated the white auditor more favorably on one or more items and did not treat the black auditor more favorably on any item, the index is classified as "white favored."
- If the rental agent treated the black auditor more favorably on one or more items and did not treat the white auditor more favorably on any item, the index is classified as "black favored."

Table 3 summarizes the results of aggregating the housing availability items for the national sample and for the four census regions. The aggregate index of housing availability consists of four of the five items in table 2: apartment availability, first or second choice, apartments volunteered, and waiting list. The number of apartments inspected was omitted from the index because it measured the results of behavior on the part of the auditor as well as behavior on the part of the agent. The four items included in the index measure behavior of the rental agent only. Including apartments inspected does not greatly affect index results.

For the index of housing availability, rental agents treated both auditors no differently 31 percent of the time; they favored whites 48 percent of the time and blacks 21 percent of the time. No rental agent

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for a number of indices of discriminatory treatment; future analysis of audit data by HUD researchers will explore other ways in which the treatment of audit teammates can be compared.

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TABLE 3

AGGREGATE INDEX OF DISCRIMINATORY TREATMENT:

HOUSING AVAILABILITY

(Percent)

	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
NATIONAL (1,576)	31	48	21	27***
Northeast (555)	32	44	24	20***
North Central (291)	34	50	17	33***
South (638)	27	52	21	31***
West (92)	34	49	17	32***

NOTE: (1) Percentages in first three columns may not total 100 because of rounding.

(2) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level.

(3) Tests of significance were performed on "adjusted" sample sizes equal to the number of cases in parentheses; see footnotes on page 49.

will treat all housing seekers exactly alike, even if they are of the same race, sex, and age; therefore, the net differential treatment of white auditors and black auditors is used as a measure of racial discrimination in the rental housing market. The observed net difference reported in table 3 is statistically significant at the 0.01 level; that is, the likelihood that the observed net differential treatment of blacks (27 percent) would have occurred by chance is less than 1 in 100.[1] Taking the difference between the percentage of total cases in which the rental agent favors the white auditor and the percentage of total cases in which the agent favors the black auditor eliminates the random, or nondiscriminatory, differential treatment of audit team members that results because it is virtually impossible for a rental agent to treat all housing seekers exactly the same. One implicit assumption underlying this approach is that reverse discrimination against whites does not exist (see "Limitations" at the end of this chapter). To the extent that reverse discrimination against whites exists, the level of racial discrimination against blacks in the rental housing market is underestimated; that is, the index measures racial discrimination conservatively by measuring the extent to which unfavorable treatment of blacks exceeds unfavorable treatment of whites.

The national results for housing availability indicate that black auditors encountered discrimination in 27 percent of their visits to

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[1] Except where noted, one-tail tests of statistical significance were performed for indices.

apartment buildings or complexes. This is the study's primary estimate of the level of discrimination against blacks in the rental segment of the housing market. Its interpretation is that 27 percent of rental agents are estimated to discriminate against blacks by providing less information about the availability of units for rent.

This figure provides a perspective on discriminatory behavior by the apartment rental industry. From the perspective of black apartment seekers, the effect of any given level of discrimination on housing search behavior may be cumulative. Apartment seekers typically visit more than one rental complex in their search for housing.[1] Table 4 presents the probability that a black will encounter discrimination in a housing search involving visits to three or more rental complexes given that 27 percent of rental agents discriminate. For example, the table indicates that if a black were to visit four complexes, the chance of his encountering at least one instance of discrimination would be 72 percent. If a black visited six complexes, the chance of encountering at least two instances of discrimination would be 51 percent.

The relationship between tables 3 and 4 must be interpreted with care. If any rental agents discriminate, then a black who visits several

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[1] Data on the number of apartment complexes visited by prospective movers are sketchy; however, data available from the two housing allowance demand experiment sites indicate that for low-income persons the mean number of places visited in search of an apartment is 7.2 in Pittsburgh and 6.1 in Phoenix. See Search and Mobility in the Housing Allowance Demand Experiment, Part I, "Locational Choice" (Abt Associates, Inc., 1977).

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TABLE 4

PROBABILITY THAT A BLACK WILL ENCOUNTER DISCRIMINATION GIVEN A 27 PERCENT LEVEL OF DISCRIMINATION

		NUMBER OF COMPLEXES VISITED				
		3	4	5	6	7
NUMBER OF ACTS OF DISCRIMINATION	0	.39	.28	.21	.15	.11
	At Least 1	.61	.72	.79	.85	.89
	At Least 2	.18	.30	.41	.51	.60

NOTE: Numbers are derived by a simple formula and are binomial probabilities; for example, $0.72 = 1-(1-0.27)^4$.

agents during a housing search is likely to encounter discrimination with a greater probability than a black who visits only one agent. The percentage of agents who discriminate does not change with visits to more than one complex, but the likelihood of encountering at least one act of discrimination increases as the number of complexes visited increases. Since a housing search normally involves visits to several complexes, the probability of being discriminated against is quite high--as revealed in table 4.

The housing choices of blacks are restricted directly by agents' discriminatory behavior. Table 4 indicates that discriminatory behavior may restrict blacks indirectly; if blacks perceive that in their housing search they may encounter one or more acts of discrimination, they may restrict their search. Since relatively little is known about how the anticipation of being treated unfavorably may affect search behavior, the effect on black apartment seekers of a high likelihood of encountering discrimination is unknown.[1] The reader is also cautioned that one of the principal findings of the audit is that discriminatory treatment is frequently difficult to detect by those who have received it. Therefore, one should not confuse the information in table 4--the probability of a black's encountering discrimination--with the probability of a black's perceiving to have been discriminated against. Homeseekers are likely to restrict their housing search as a result of their perceptions of discriminatory treatment as well as a result of their knowledge that they will, or may, receive discriminatory treatment. A possible implication of this study is that the percentage of rental and sales agents that discriminate may be much lower than some black homeseekers perceive.

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[1] For a theoretical treatment of the effects of discrimination on housing search behavior, see Paul N. Courant, "Racial Prejudice in a Search Model of the Urban Housing Market," Journal of Urban Economics, vol. 5, pp. 329-45.

For each of the four census regions of the country, the difference in treatment accorded blacks and whites for the index of housing availability is significant at the 0.01 level (see table 3). The Kruskal-Wallis one-way analysis of variance by ranks, which was used to test for regional differences in the level of discriminatory treatment measured by the index of housing availability, indicates that statistically significant differences (at the 0.20 level) exist among the four census regions.[1] Put slightly differently, if discriminatory treatment of whites and blacks were actually no different nationwide, chances are fewer than 2 in 10 that such large interregional differences would have been observed.

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[1] The Kruskal-Wallis test examines all of the regional estimates simultaneously to determine whether they appear to be drawn from the same population (discriminatory behavior is no different across the four regions) or from different populations (discriminatory behavior differs across the regions). It does not test whether the differences between the estimates reported between any pair of regions is statistically significant (see Siegel, op. cit., pp. 184-93). Kruskal-Wallis test results for other indices usually will be reported only if statistically significant. These test results are derived from comparing regions by first ranking the index results of SMSAs. Since the confidence to be placed on index estimates for SMSAs is low and varies by site (see chapter 4), results of the Kruskal-Wallis test may inaccurately estimate the degree to which regional differences in discrimination may or may not exist. Also, estimates of regional discrimination levels are based on weighted, adjusted data, while SMSA rankings are based on unweighted, unadjusted data.

The regional results indicate that auditors encountered discriminatory treatment in housing availability 20 percent of the time in the Northeast, 33 percent of the time in the North Central region, 31 percent of the time in the South, and 32 percent of the time in the West.[1] Given these levels of discrimination, the chances of encountering one or more acts of discrimination in a housing search involving four visits would be 59 percent in the Northeast, 80 percent in the North Central region, 73 percent in the South, and 79 percent in the West.

INDICES FOR AUDITS CONDUCTED IN LARGE SMSAs COMPARED TO AUDITS CONDUCTED IN SMALL SMSAs

It was expected that dividing audits into 32 large SMSAs and eight small SMSAs would facilitate investigation of possible differences in the nature and extent of discrimination in SMSAs of various sizes.[2] Each of the aggregate indices of differential treatment in this report is examined in terms of this division to get a rough estimate of the differences in discrimination that may be attributed to the size of the metropolitan area. Table 5 shows the results of the index of housing availability when SMSAs are divided according to size. It indicates that blacks encountered more discriminatory treatment with respect to housing availability in large SMSAs than in small SMSAs. The Mann-Whitney test was used to test whether the difference between the estimated level of discrimination in large SMSAs and the estimated level of discrimination in small SMSAs is statistically significant. The test indicates that the difference in index results is not statistically significant at the 0.30 level or lower.[1]

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[1] Grouping individual test results by census region allows investigation of whether the nature and extent of racial discrimination may vary by region. Disaggregating data by census region follows conventional reporting practices when a national data set is analyzed. However, the 117 SMSAs from which the 40 sites were selected were originally grouped by only three regions--North, South, and West--and even after statistical adjustment of the data, reported results may not be strictly generalizable for census regions.

[2] Later reports will use more sophisticated analysis, such as multiple regression analysis, to investigate the effect of a large number of variables on the nature and extent of discrimination in the housing market. The variables will include a variety of metropolitan area characteristics, including population.

COURTESY

INDIVIDUAL ITEMS

Courteous treatment by rental agents or other employees of a rental complex is not essential in the renting of an apartment. If units are made available, blacks may choose to rent them even if they perceive that blacks are not welcomed wholeheartedly. Nonetheless, rental agents are expected to treat prospective renters respectfully. Disrespectful treatment will discourage apartment seekers even when the rental agents are willing to make apartments available to them. This section examines

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[1] The Mann-Whitney test is similar to the Kruskal-Wallis test. The statistical assumptions underlying both tests are relatively restrictive; the likelihood that differences in observed discrimination (by region or by size of SMSA) will be found statistically significant is fairly low.

TABLE 5

AGGREGATE INDEX OF DISCRIMINATORY TREATMENT: HOUSING AVAILABILITY

(Cases Classified by SMSA Size)

(Percent)

	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
Large SMSAs (1,423)	30	49	21	28***
Small SMSAs (153)	35	43	22	21***

NOTE: (1) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level.

(2) Tests of significance were performed on "adjusted" sample sizes equal to the number of cases in parentheses; see footnotes on page 49.

whether blacks were treated as courteously as whites, and the relationship between courteous treatment and how rental agents treated blacks and whites with respect to housing availability.

Table 6 presents the audit results for the individual courtesy items. A general observation and one of the mildly encouraging findings of the study is that for most courtesy items, no difference in the treatment of black auditors and white auditors was observed.

There is a small but statistically significant tendency for blacks to have waited longer before being interviewed about an apartment. Although rental agents treated both auditors no differently in 76 percent of the cases, whites had a shorter wait in 14 percent of the cases and blacks had a shorter wait in 10 percent of the cases. Likewise, there is a small but statistically significant tendency for whites to have had a longer interview. The rental agent treated both team members no differently only 14 percent of the time, while whites had a longer interview 45 percent of the time and blacks had a longer interview 41 percent of the time.

Systematic differential treatment in most other items is numerically small or not statistically significant at the 0.10 level or lower. No systematic differential treatment occurred with respect to an agent's shaking the hand of an auditor. Only 5 percent of the auditors, however, were accorded this courtesy. Black auditors were offered something to drink or a cigarette, provided reading material or literature on available apartments, asked their name, and addressed by title more often than white auditors, but the differences are extremely small. Only 1 percent of

TABLE 6
COURTESY
(Percent)

	NO DIFFERENCE	OCCURRED FOR WHITE ONLY	OCCURRED FOR BLACK ONLY	NET DIFFERENCE
SHORTER WAIT BEFORE INTERVIEW (1,509)	76	14	10	4***
DID ANYONE OFFER DRINKS, CIGARETTES, ETC. (1,568)	98	1	2	-1***
DID ANYONE OFFER LITERATURE (1,568)	79	10	12	-2*
DID ANYONE CHAT INFORMALLY WITH YOU WHILE YOU WAITED (1,568)	73	14	13	1
DID AGENT INTRODUCE SELF (1,580)	77	13	10	3**
DID AGENT ASK YOUR NAME (1,580)	69	15	16	-1
DID AGENT ADDRESS YOU BY TITLE (1,582)	84	7	9	-2**
DID AGENT SHAKE YOUR HAND (1,581)	93	4	4	0
DID AGENT ASK YOU TO BE SEATED (1,582)	77	13	10	3***
DID AGENT OFFER YOU A BUSINESS CARD (1,582)	79	14	8	6***
DID AGENT INVITE YOU TO CALL BACK (1,585)	66	21	14	7***
LONGER LENGTH OF INTERVIEW (1,550)	14	45	41	4*

NOTE: (1) Percentages in first three columns may not total 100 because of rounding.

(2) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, two asterisks that the difference is statistically significant at the 0.05 level, one asterisk that the difference is statistically significant at the 0.10 level, and no asterisks that the difference is not statistically significant at the 0.10 level or lower.

(3) Numbers in parentheses are the unweighted number of cases; tests of significance were performed on an "adjusted" sample size of equal magnitude. See footnotes on page 49.

all auditors were offered drinks, cigarettes, and so forth, 27 percent were offered literature on available apartments or renting in general, 33 percent were asked their names, and 10 percent were addressed by title. Although the agent or other employees of the rental complex chatted informally more often with the white auditor than with the black auditor, the difference is small and not statistically significant at the 0.10 level or lower.

Despite the fact that there are small or not statistically significant (at the 0.10 level) differences in several of the 12 analyzed items, the initial contact with the rental agent exhibits an important pattern of behavior. There is a tendency for the rental agent to have attempted to form a continuing relationship more often with the white auditor than with the black auditor by having introduced himself, having asked the auditor to be seated, having offered a business card, and having invited the auditor to call back. The rental agent treated both team members no differently 77 percent of the time in terms of introducing himself to auditors, but 13 percent of the time he introduced himself only to the white auditor and 10 percent of the time he introduced himself only to the black auditor. The percentages were exactly the same in terms of asking the auditors to be seated--no difference 77 percent of the time, whites favored 13 percent of the time, and blacks favored 10 percent of the time. The rental agent treated both auditors no differently in terms of offering a business card 79 percent of the time but offered a business card only to the white auditor 14 percent of the time and only to the black auditor 8 percent of the time. The rental agent treated auditors no differently in terms of inviting a follow-up call 66 percent of the time, invited only the white auditor to call back 21 percent of the time, and invited only the black auditor to call back 14 percent of the time. (The net differences for all four items are statistically significant at between the 0.01 and 0.05 levels.)

Although rental agents addressed the auditors by title only 10 percent of the time, there was a small but statistically significant difference in treatment. The rental agent treated both team members no differently 84 percent of the time, but when differential treatment occurred, they addressed black auditors by title (9 percent of the time) more often than white auditors (7 percent of the time). Two interpretations of this result are possible. Rental agents may have treated black auditors with greater deference, or, having addressed white auditors less formally, have attempted to initiate more personal relationships. In addressing the black auditor by title, agents may have been maintaining a strict business relationship. If this was the case, the more courteous treatment would in fact have been the less favorable treatment.

INDEX OF COURTESY

Responses to six of the items on table 6 related to initial contact between auditor and agent were combined to derive an aggregate index of courtesy. Differential treatment on individual items may not be important, but meaningful systematic differences in treatment may occur for combinations of individual items. In addition, the aggregate index summarizes the experience of the auditors across the individual items that comprise the index. The individual responses to all six items were combined according to the same criteria used for combining responses about housing availability (see page 57).

Table 7 summarizes the results from aggregating the six courtesy items for the national sample and the four census regions. The items chosen for the index are whether the agent introduced himself, asked the auditor's name, shook the auditor's hand, asked the auditor to be seated, offered the auditor a business card, and invited the auditor to call back. (Whether the agent addressed the auditor by title was omitted because of the ambiguous interpretation that can be given this item.) Values for this index are relatively insensitive to the number of individual courtesy items included or to the combination of items selected. That is, values obtained for alternative forms of the index do not differ significantly from each other.

For the courtesy index, the difference in treatment accorded blacks and whites is significant at the 0.01 level in the national sample and in the South and North Central regions, and not statistically significant at the 0.10 level or lower in the Northeast and West.

The aggregate index shows that rental agents treated blacks and whites no differently far less frequently than the results in table 6 tend to suggest. Table 6 shows that the treatment accorded audit teammates was no different at least 66 percent of the time for the individual items comprising the aggregate index. But the index shows that for the

TABLE 7

AGGREGATE INDEX OF DISCRIMINATORY TREATMENT:

COURTESY

(Percent)

	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
NATIONAL (1,587)	37	38	26	12***
Northeast (558)	38	33	29	4
North Central (296)	39	36	25	11***
South (639)	34	42	24	18***
West (94)	38	36	26	10

NOTE: (1) Percentages in first three columns may not total 100 because of rounding.

(2) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, no asterisks that the difference is not statistically significant at the 0.10 level or lower.

(3) Tests of significance were performed on "adjusted" sample sizes equal to the number of cases in parentheses; see footnotes on page 49.

national sample, differential treatment of auditors occurred 63 percent of the time (100 percent minus 37 percent).

Table 8 shows the results of the index of courtesy when SMSAs are divided according to size. It indicates that the difference in treatment for the two groups of SMSAs is quite small. In large SMSAs the net difference favors whites by 12 percent, while in small SMSAs the net difference favors whites by 9 percent.

THE RELATIONSHIP BETWEEN THE INDEX OF COURTESY AND THE INDEX OF HOUSING AVAILABILITY

An objective of the Title VIII--Fair Housing Evaluation is not only to identify the forms of discrimination blacks may encounter most frequently in the rental housing market but also to investigate the relationship that may exist among different forms of discrimination--specifically, the relationship between housing availability and the other categories of discriminatory treatment under study. This section examines how courteous treatment is related to treatment regarding housing availability. It may be that discourteous treatment is unrelated to discrimination with respect to the availability of units, or it may be that auditors who were treated less favorably with respect to housing availability were also treated less courteously.

To investigate the relationship between courtesy and housing availability, a joint frequency distribution of cases was derived. Columns are the index of courtesy and rows are the index of housing availability. Table 9 presents the cross-tabulation of the aggregate index of courtesy and the aggregate index of housing availability. The first number in

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TABLE 8

AGGREGATE INDEX OF DISCRIMINATORY TREATMENT: COURTESY

(Cases Classified by SMSA Size)

(Percent)

	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
Large SMSAs (1,434)	36	38	26	12***
Small SMSAs (153)	39	35	26	9*

NOTE: (1) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, one asterisk that the difference is statistically significant at the 0.10 level.

(2) Tests of significance were performed on "adjusted" sample sizes equal to the number of cases in parentheses; see footnotes on page 49.

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TABLE 9

CROSS-TABULATION OF THE INDEX OF COURTESY AND THE INDEX OF HOUSING AVAILABILITY

(Percent)

		COURTESY		
		WHITE FAVORED	NO DIFFERENCE	BLACK FAVORED
HOUSING AVAILABILITY	WHITE FAVORED	20 (18)	17 (18)	11 (13)
	NO DIFFERENCE	12 (11)	12 (11)	7 (8)
	BLACK FAVORED	6 (8)	7 (8)	8 (5)

Number of cases = 1,575

Chi-square = 42; significant at the 0.01 level

Expected frequencies in parentheses

NOTE: (1) Expected frequencies are calculated by multiplying the overall row percentage (for example, the percentage of cases in which the white was favored on housing availability, 48 percent) by the overall column percentage (for example, the percentage of cases in which the white was favored on courtesy, 38 percent). The product (18 percent in this example) is the frequency with which one would expect both events (in this example, whites favored on availability and whites favored on courtesy) to occur simultaneously if the events were unrelated. Statistically significant deviations from this pattern indicate that the events are not unrelated. That is, a chi-square value reported to be "statistically significant" means that treatment as measured by the courtesy index is not independent of treatment as measured by the housing availability index.

(2) "Number of cases" is the "adjusted" sample size for which cross-tabulation was performed; see footnote 2 on page 49.

each cell is the observed frequency, the second number (in parentheses) the expected frequency. The chi-square test compares observed cell frequency to expected cell frequency; the test statistic of 42 indicates that the relationship between the two indices is statistically significant at the 0.01 level. The pattern of observed frequencies relative to the expected frequencies indicates that discriminatory treatment as measured by the index of availability is positively related to discriminatory treatment as measured by the index of courtesy; that is, favoritism on one index is associated with favoritism on the other.[1] For example, from results observed for each of the separate indices, it could be expected that 18 percent of white auditors were favored on both indices. Instead, 20 percent of white auditors were favored on both courtesy and availability. Similarly, more blacks were favored on both indices (8 percent) than expected (5 percent). The two forms of discrimination tend to complement each other, and the observed relationship between the two indices can be accepted with considerable confidence.

Relationships that are statistically significant at the 0.01 level exist between the indices of housing availability and courtesy for large and small SMSAs and for each of the census regions except the West. In the West the small sample size is the likely explanation for finding the relationship between indices to be statistically significant only at the 0.10 level.

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[1] The reported chi-square results indicate whether the indices are dependent or independent. A second statistic--gamma--indicates whether the indices are positively or negatively related and the strength of the relationship. Implications of the observed gamma statistic are mentioned in the text or in footnotes. To reduce the amount of technical information, the actual gamma statistics and their level of significance are not reported on the cross-tabulation tables.

TERMS AND CONDITIONS

INDIVIDUAL ITEMS

Differential treatment in terms and conditions is also a potentially important form of discrimination and a violation of fair housing statutes. Even if rental agents reply favorably as to apartment availability, the stipulated terms and conditions for renting the available units will influence how attractive a given apartment is to the apartment seeker.

The auditors were instructed to obtain information about the following items:

- the apartment numbers of available units
- the monthly rents of available units
- the terms of the lease
- the amount of the security deposit.

(The apartment number ensures that terms can be compared for the same unit.) They were also instructed to record what the rental agent said about application procedures, the application fee, credit check procedures, and length of time to complete the credit check. Table 10 presents the audit results for the items relating to terms and conditions.

The measured differential treatment for the amount of the monthly rent, the terms of the lease, and the length of the credit check are not significant at the 0.10 level or lower. Two of the five items, however, the amount of the security deposit and whether an application fee is

TABLE 10

TERMS AND CONDITIONS

(Percent)

	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	NET DIFFERENCE
MONTHLY RENT (360)	87	7	6	1
LEASE REQUIREMENTS (1,243)	90	5	5	0
SECURITY DEPOSIT (1,314)	83	6	11	-5***
APPLICATION FEE REQUIRED (239)	73	19	8	11***
LENGTH OF CREDIT CHECK (296)	65	17	19	-2

NOTE: (1) Percentages in first three columns may not total 100 because of rounding.

(2) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, no asterisks that the difference is not statistically significant at the 0.10 level or lower.

(3) Numbers in parentheses are the unweighted number of cases; tests of significance were performed on an "adjusted" sample size of equal magnitude. See footnotes on page 49.

(4) It is assumed that providing information on whether an application fee is required is favorable. See text for an alternate interpretation.

required, show differences in treatment that are statistically significant at the 0.01 level. With respect to the amount of the security deposit, rental agents treated both auditors no differently 83 percent of the time, favored the white 6 percent of the time, and favored the black 11 percent of the time.

In terms of requiring an application fee, rental agents treated both auditors no differently 73 percent of the time, told the white auditor 19 percent of the time that an application fee was required, and told the black 8 percent of the time that an application fee was required. Requiring a fee to accompany the application can be said to have favored either the white auditor or the black auditor. When a rental agent indicates that an application fee is required, he may be attempting to discourage the apartment seeker from renting an apartment or he may be attempting to facilitate the process of renting an apartment. The table is constructed under the assumption that providing information on the existence of an application fee is favorable treatment, but there is a possible ambiguity in interpreting this item.

Observing the relationship between differential treatment on this item and on the other less ambiguous items may provide some guidance as to whether requiring an application fee according to the applicant's race constitutes favorable or unfavorable treatment. When the analysis was repeated to include only those cases in which the rental agent told both auditors that an apartment was available or would be available within the next month, the same pattern emerged.

INDEX OF TERMS AND CONDITIONS

Four of the five items in table 10 were combined to derive an index of terms and conditions. The same criteria used to combine responses about housing availability were used to derive the aggregate index of terms and conditions (see page 57). Table 11 summarizes the results of aggregating the items relating to terms and conditions for the national sample and the four census regions.

The difference in treatment accorded blacks and whites for the terms and conditions index is significant at the 0.10 level for the national sample, at the 0.01 level for the Northeast, at the 0.05 level for the South, and not statistically significant at the 0.10 level or lower for the North Central region and the West. For the national sample, rental agents treated both auditors no differently 73 percent of the time, quoted more favorable terms and conditions to the white auditor 13 percent of the time, and quoted more favorable terms and conditions to the black auditor 15 percent of the time.

Rental agents quoted black auditors more favorable terms and conditions in the Northeast and North Central regions; they quoted more favorable terms and conditions to white auditors in the South. There is no significant difference in treatment in terms and conditions for the West. The Kruskal-Wallis test indicates that statistically significant differences do not exist among the four census regions.

Table 12 shows the results of the aggregate index of terms and conditions when SMSAs are divided according to size. It indicates that the

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TABLE 11

AGGREGATE INDEX OF DISCRIMINATORY TREATMENT:

TERMS AND CONDITIONS

(Percent)

	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
NATIONAL (1,345)	73	13	15	-2*
Northeast (471)	62	14	24	-10***
North Central (244)	68	14	19	-5
South (549)	82	11	7	4**
West (81)	85	7	7	0

NOTE: (1) Percentages in first three columns may not total 100 because of rounding.

(2) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, two asterisks that the difference is statistically significant at the 0.05 level, one asterisk that the difference is statistically significant at the 0.10 level, and no asterisks that the difference is not statistically significant at the 0.10 level or lower.

(3) Tests of significance were performed on "adjusted" sample sizes equal to the number of cases in parentheses; see footnotes on page 49.

(4) A two-tail test of statistical significance was used for this index because of the ambiguity in classifying treatment on individual index items as favorable or unfavorable.

TABLE 12

AGGREGATE INDEX OF DISCRIMINATORY TREATMENT: TERMS AND CONDITIONS

(Cases Classified by SMSA Size)

(Percent)

	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
Large SMSAs (1,209)	73	12	15	-3*
Small SMSAs (136)	68	16	16	0

NOTE: (1) One asterisk indicates that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.10 level, no asterisks that the difference is not statistically significant at the 0.10 level or lower.

(2) Tests of significance were performed on "adjusted" sample sizes equal to the number of cases in parentheses; see footnotes on page 49.

(3) A two-tail test of statistical significance was used for this index because of the ambiguity in classifying treatment on individual index items as favorable or unfavorable.

difference in treatment for the two groups of SMSAs is quite small. In large SMSAs discriminatory treatment favored blacks by 3 percent, while in small SMSAs there was no discriminatory treatment.

THE RELATIONSHIP BETWEEN THE INDEX OF TERMS AND CONDITIONS AND THE INDEX OF HOUSING AVAILABILITY

Table 13 presents the cross-tabulation of the aggregate index of terms and conditions and the aggregate index of housing availability. This table is used to determine whether the terms and conditions quoted to auditors were related to information quoted to them regarding housing availability. The chi-square statistic of 4 is not statistically significant at the 0.10 level or lower. The pattern of observed frequencies relative to expected frequencies indicates that the index of terms and conditions is independent of the index of housing availability. That is, whether a rental agent favored whites (or blacks) on availability had no bearing on whether the rental agent favored whites (or blacks) on terms and conditions.

Although the cross-tabulations for the individual census regions and for large and small SMSAs are not reported, the results indicate that only in the South did a statistically significant relationship between the two aggregate indices exist.

TABLE 13

CROSS-TABULATION OF THE INDEX OF TERMS AND CONDITIONS AND THE INDEX OF HOUSING AVAILABILITY

(Percent)

		TERMS AND CONDITIONS		
		WHITE FAVORED	NO DIFFERENCE	BLACK FAVORED
HOUSING AVAILABILITY	WHITE FAVORED	6 (6)	35 (34)	7 (7)
	NO DIFFERENCE	4 (4)	21 (21)	4 (4)
	BLACK FAVORED	2 (3)	17 (17)	4 (3)

Number of cases = 1,339

Chi-square = 4; not significant at the 0.10 level or lower

Expected frequencies in parentheses (see table 9)

NOTE: "Number of cases" is the "adjusted" sample size for which cross-tabulation was performed; see footnote 2 on page 49.

INFORMATION REQUESTED

INDIVIDUAL ITEMS

The auditors behaved like bona fide apartment seekers. After specifying their request for an apartment, they responded to the rental agent's inquiries. The auditors avoided volunteering information about themselves but answered the agent's inquiries on the basis of their assigned individual characteristics (provided on their Site Visit Assignment Forms). Table 14 presents the results of the items for information requested by the rental agent. No a priori interpretation was given to whether being asked information is favorable or unfavorable treatment. Accordingly, column 2 is labeled "requested of white only" rather than "white favored," and column 3 is labeled "requested of black only" rather than "black favored."

In a large percentage of cases, both auditors were treated no differently. For example, rental agents treated both auditors no differently 94 percent of the time with respect to information requested about income, 98 percent of the time with respect to requests for references, and 89 percent of the time with respect to requests for place of residence. The large percentage of cases in which both auditors were treated no differently results primarily because rental agents did not request this information from either of the auditors. Rental agents requested information on income 4 percent of the time, references only 1 percent of the time, and information on place of residence 12 percent of the time. "No difference" in treatment is really a reflection of no treatment.

TABLE 14

INFORMATION REQUESTED

(Percent)

	NO DIFFERENCE	REQUESTED OF WHITE ONLY	REQUESTED OF BLACK ONLY	NET DIFFERENCE
INCOME (1,586)	94	2	4	-2***
EMPLOYMENT (1,583)	82	8	11	-3***
REFERENCES (1,584)	98	1	1	0
PHONE NUMBER (1,585)	86	7	7	0
ADDRESS (1,585)	89	4	7	-3***

NOTE: (1) Percentages in first three columns may not total 100 because of rounding.

(2) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, no asterisks that the difference is not statistically significant at the 0.10 level or lower.

(3) Numbers in parentheses are the unweighted number of cases; tests of significance were performed on an "adjusted" sample size of equal magnitude. See footnotes on page 49.

(4) Negative differences in column 4 do not imply that blacks were favored, only that agents requested information more frequently of blacks than of whites (see text for further explanation).

Blacks were requested to provide information on income, employment, and place of residence more often than whites. Although the differences for the individual items are small, they are nonetheless statistically different from zero at the 0.01 level. There are no differences with respect to references and telephone numbers requested.

Although racial differences in rental agents' requesting auditors' phone numbers were not observed (rental agents requested information on phone numbers in 20 percent of the cases), agents requested the place of residence 7 percent of the time from the black auditor only and 4 percent of the time from the white auditor only. One possible explanation for this difference is that rental agents were more curious about the current residence of black auditors than of white auditors.

INDEX OF INFORMATION REQUESTED

All five items in table 14 were combined to derive an index of information requested. The index is designed to reveal any systematic difference in treatment based on race. The same criteria used to combine responses about housing availability were used to develop the aggregate index of information requested (see page 57). Table 15 summarizes the results of aggregating the items relating to information requested for the national sample and the four census regions.

The last column in table 15 is obtained by subtracting the percentage of cases in which agents requested more information from whites from the percentage of cases in which agents requested more information from blacks. If an agent asked more information of one member of an audit team than the

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TABLE 15

AGGREGATE INDEX OF DIFFERENTIAL TREATMENT: INFORMATION REQUESTED

(Percent)

	NO DIFFERENCE	REQUESTED OF BLACK ONLY	REQUESTED OF WHITE ONLY	NET DIFFERENTIAL TREATMENT
NATIONAL (1,586)	68	19	13	6***
Northeast (558)	66	21	13	8***
North Central (296)	72	16	12	4
South (639)	68	19	14	5**
West (93)	72	17	11	6

NOTE: (1) Percentages in first three columns may not total 100 because of rounding.

(2) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, two asterisks that the difference is statistically significant at the 0.05 level, and no asterisks that the difference is not statistically significant at the 0.10 level or lower.

(3) Tests of significance were performed on "adjusted" sample sizes equal to the number of cases in parentheses; see footnotes on page 49.

(4) Differential treatment reported in the fourth column does not imply that being asked more information is necessarily favorable or unfavorable treatment (see text for further explanation).

(5) A two-tail test of statistical significance was used for this index because of the ambiguity in classifying treatment on individual index items as favorable or unfavorable.

other, it is not clear whether the agent was attempting to more carefully screen the auditor or whether the agent was treating one auditor more seriously than the other, or both. That is, asking more information of one team member may be either favorable treatment or unfavorable treatment. Therefore, the last column in table 15 is labeled "net differential treatment" rather than "discriminatory treatment." The next section examines how being asked more information was related to the information given auditors with respect to apartment availability.

The differential treatment accorded black and white auditors as measured by the index of information requested is significant at the 0.01 level for the national sample and the Northeast, significant at the 0.05 level for the South, and not statistically significant at the 0.10 level or lower for the North Central region and the West.[1] The aggregate index shows that rental agents treated the matched auditors no differently a large percentage of the time. According to the regional results, both auditors were treated no differently at least 66 percent of the time.

Table 16 shows the results of the index of information requested when SMSAs are divided according to size. It indicates that in large SMSAs rental agents requested more information from whites in 13 percent of the cases and more information from blacks in 20 percent of the cases. In

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[1] The results of the Kruskal-Wallis test indicate that no statistically significant differences (at the 0.30 level or lower) exist between the regional values of differential treatment as measured by the aggregate index of information requested.

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TABLE 16

AGGREGATE INDEX OF DIFFERENTIAL TREATMENT: INFORMATION REQUESTED

(Cases Classified by SMSA Size)

(Percent)

	NO DIFFERENCE	REQUESTED OF BLACK ONLY	REQUESTED OF WHITE ONLY	NET DIFFERENTIAL TREATMENT
Large SMSAs (1,433)	68	20	13	7***
Small SMSAs (153)	68	16	16	0

NOTE: (1) Percentages in first three columns may not total 100 because of rounding.

(2) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, no asterisks that the difference is not statistically significant at the 0.10 level or lower.

(3) Tests of significance were performed on "adjusted" sample sizes equal to the number of cases in parentheses; see footnotes on page 49.

(4) Differential treatment reported in the fourth column does not imply that being asked more information is necessarily favorable or unfavorable treatment (see text for further explanation).

(5) A two-tail test of statistical significance was used for this index because of the ambiguity in classifying treatment on individual index items as favorable or unfavorable.

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small SMSAs rental agents requested more information from whites 16 percent of the time and more information from blacks 16 percent of the time.[1]

THE RELATIONSHIP BETWEEN THE INDEX OF INFORMATION REQUESTED AND THE INDEX OF HOUSING AVAILABILITY

Table 17 presents the cross-tabulation of the aggregate index of information requested and the aggregate index of housing availability. This table is used to determine whether the information requested of auditors was related to the information given them regarding housing availability. The chi-square statistic of 12 is statistically significant at the 0.05 level. That is, the pattern of observed frequencies relative to expected frequencies indicates that the index of information requested is not independent of the index of housing availability. However, the direction and strength of the relationship are not readily apparent from the table. There is a small but not statistically significant (at the 0.10 level or lower) positive relationship between being asked more information and being favored with respect to housing availability.[2] That is, the observed frequency with which auditors who were asked more information than their teammates were also favored with regard to what they were told about apartment availability is higher than the expected frequency with

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[1] Results of the Mann-Whitney test are not statistically significant at the 0.30 level or lower.

[2] The gamma statistic is positive but not statistically significant at the 0.10 level or lower.

TABLE 17

CROSS-TABULATION OF THE INDEX OF INFORMATION REQUESTED AND THE INDEX OF HOUSING AVAILABILITY

(Percent)

HOUSING AVAILABILITY	INFORMATION REQUESTED: REQUESTED OF WHITE ONLY	INFORMATION REQUESTED: NO DIFFERENCE	INFORMATION REQUESTED: REQUESTED OF BLACK ONLY
WHITE FAVORED	8 (6)	31 (33)	10 (9)
NO DIFFERENCE	3 (4)	22 (21)	6 (6)
BLACK FAVORED	2 (3)	15 (14)	4 (4)

Number of cases = 1,574

Chi-square = 12; significant at the 0.05 level

Expected frequencies in parentheses (see table 9)

NOTE: "Number of cases" is the "adjusted" sample size for which cross-tabulation was performed; see footnote 2 on page 49.

which these two events would occur simultaneously. However, the observed frequencies differ from those expected by negligible amounts.

The cross-tabulation results for the information requested and housing availability indices do not provide convincing evidence that being asked more information is favorable or unfavorable treatment. If an auditor was asked more information than his teammate, the auditor may have been screened by an agent, treated seriously as a prospective renter, or both. The cross-tabulation results do not suggest that being asked more information is necessarily unfavorable discriminatory treatment.[1]

Cross-tabulations are not reported for census regions and for large and small SMSAs, but the results indicate that only in the South and for large SMSAs does a statistically significant relationship exist between information requested and treatment with respect to housing availability. The two indices are positively related for all regions except the Northeast, and for large and small SMSAs. However, the relationship between indices is weak, with none of the regional and SMSA results indicating a positive (or negative) relationship of statistical significance at the 0.10 level or lower. That is, no strong evidence exists to conclude that being requested more information is positively correlated with being treated favorably or unfavorably with respect to housing availability.

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[1] If relatively few cases occurred in which there was differential treatment of teammates as measured by both indices, the likelihood of discerning the exact relationship between types of differential treatment of black auditors and white auditors is lower. Few auditors--either blacks or whites--were asked the individual items that comprise the information requested index, and therefore a large percentage of cases were classified "no difference" on the index. Thus, reported cross-tabulation results are not surprising.

INFORMATION VOLUNTEERED

INDIVIDUAL ITEMS

The process by which information is conveyed to apartment seekers is another important part of searching for an apartment. The rental agent, by volunteering information that would be useful to the apartment seeker, can facilitate the exchange of useful information. That is, the rental agent can show a genuine interest in the apartment seeker by conveying crucial information that will help determine whether or not to rent a particular apartment. The rental agent can also restrict the exchange of useful information by being passive or nonresponsive. This voluntary exchange of information between the agent and the apartment seeker may be a subtle, but important, form of discrimination.

If the rental agent did not volunteer relevant information, the auditors were instructed to obtain as much specific information as possible through polite but persistent questioning. They were to ask about lease requirements and whether a security deposit was required. If they were told that no apartments were available, they were to ask about the existence of a waiting list. The auditors were also expected to record what the agent said about the application procedure and credit check.

Table 18 presents the relative frequencies with which rental agents volunteered more information to either auditor, that is, the percentages

TABLE 18

INFORMATION VOLUNTEERED

(Percent)

	NO DIFFERENCE	VOLUNTEERED TO WHITE ONLY	VOLUNTEERED TO BLACK ONLY	NET DIFFERENCE
LEASE REQUIREMENTS (1,554)	64	19	17	2
SECURITY DEPOSIT (1,524)	60	24	16	8***
WAITING LIST (270)	53	31	16	15***
APPLICATION (1,577)	64	18	18	0
CREDIT CHECK (1,576)	71	14	15	-1

NOTE: (1) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, no asterisks that the difference is not statistically significant at the 0.10 level or lower.

(2) Numbers in parentheses are the unweighted number of cases; tests of significance were performed on an "adjusted" sample size of equal magnitude. See footnotes on page 49.

of cases in which more relevant information was volunteered to one auditor or the other without the auditor's having to ask for the information. Five items are included in the category: lease requirements, the requirement for a security deposit, the existence of a waiting list, application procedures, and the credit check.

There was a moderate tendency for rental agents to convey more information to white auditors than to black auditors. For security deposit and waiting list, the differential treatment accorded black and white auditors was statistically significant at the 0.01 level; for the other three items, the black and white were treated with virtually no difference. The two statistically significant items, however, are two of the most common and most important items in an apartment search. The amount of the security deposit was volunteered in 46 percent of the cases, and the existence of a waiting list was volunteered in 14 percent of the cases. Information on the security deposit was volunteered (or not volunteered) no differently to both members of the team 60 percent of the time, volunteered to only the white auditor 24 percent of the time, and volunteered to only the black auditor 16 percent of the time. Rental agents volunteered no different information on the waiting list to both auditors 53 percent of the time, volunteered information to only the white auditor 31 percent of the time, and volunteered information to only the black auditor 16 percent of the time.

The substantial difference in treatment with respect to information volunteered about the waiting list is particularly important. When an apartment seeker is told that no apartment is immediately available,

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information about a waiting list becomes perhaps the most important item in the search. Volunteered information about a waiting list is persuasive evidence that the rental agent desires to maintain a continuing relationship with the prospective renter. Conversely, failure to volunteer such information suggests that the rental agent may want to discontinue the relationship.

INDEX OF INFORMATION VOLUNTEERED

Table 19 summarizes the results of aggregating all five items in table 18 to derive an index of information volunteered (case 1). The index is designed to reveal any systematic difference in treatment based on race. The same criteria used to combine responses about housing availability were used to develop the aggregate index of information volunteered (see page 57). Table 20 gives the results for an index combining only two of the items--security deposit and waiting list (case 2). The indices assume that volunteering information is favorable to the apartment seeker. That is, if information was volunteered to the white (black) only, it is assumed that the white (black) was favored.

For the aggregate index of information volunteered (case 1), the difference in treatment accorded black auditors and white auditors is statistically significant at the 0.01 level for the national sample. The practice of volunteering information appears to vary across regions. In the national sample, for example, rental agents treated both auditors no differently in 40 percent of the cases, volunteered information only to the white auditor 32 percent of the time, and volunteered information only to the black

TABLE 19

AGGREGATE INDEX OF DISCRIMINATORY TREATMENT:

INFORMATION VOLUNTEERED (CASE 1)

(Percent)

	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
NATIONAL (1,586)	40	32	28	4***
Northeast (558)	44	34	22	12***
North Central (296)	43	32	25	7*
South (639)	35	31	34	-3
West (93)	42	33	26	7

NOTE: (1) This index of information volunteered combines all five items in table 18.

(2) Percentages in first three columns may not total 100 because of rounding.

(3) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, one asterisk that the difference is statistically significant at the 0.10 level, and no asterisks that the difference is not statistically significant at the 0.10 level or lower.

(4) Tests of significance were performed on "adjusted" sample sizes equal to the number of cases in parentheses; see footnotes on page 49.

TABLE 20

AGGREGATE INDEX OF DISCRIMINATORY TREATMENT:
INFORMATION VOLUNTEERED (CASE 2)

(Percent)

	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
NATIONAL (1,547)	56	26	18	8***
Northeast (543)	62	25	14	11***
North Central (287)	63	24	13	11***
South (630)	48	28	24	4*
West (87)	56	33	11	22***

NOTE: (1) This index of information volunteered combines only two of the items in table 18--the amount of the security deposit and the existence of a waiting list.

(2) Percentages in first three columns may not total 100 because of rounding.

(3) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, one asterisk that the difference is statistically significant at the 0.10 level.

(4) Tests of significance were performed on "adjusted" sample sizes equal to the number of cases in parentheses; see footnotes on page 49.

auditor 28 percent of the time. The greatest discriminatory treatment by region was in the Northeast, where the difference (12 percent) was significant at the 0.01 level. In the other three regions the absolute differential ranges from 3 percent favoring blacks in the South to 7 percent favoring whites in the North Central and Western regions. For the aggregate index of information volunteered (case 2), the difference in treatment is statistically significant at the 0.01 level for the national sample and all of the census regions except the South.[1]

Some interesting variations among regions appear when the two indices are compared. In the West case 1 shows a difference between information volunteered only to the white and information volunteered only to the black (7 percent) that is not statistically significant, but case 2 shows a statistically significant difference of 22 percent. In the South case 1 shows a difference of -3 percentage points (not statistically significant at the 0.10 level or lower), while case 2 shows a difference of 4 percentage points (statistically significant at the 0.10 level). The sensitivity of index results between cases 1 and 2 may indicate either regional variation in discriminatory practices or regional variation in the importance of particular items in the housing search of prospective renters. Further refinement of index measures is planned; a more comprehensive assessment

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1. The Kruskal-Wallis test indicates that statistically significant (at the 0.30 level or lower) differences do not exist between the regions in the differential treatment of blacks and whites as measured by either case 1 or case 2 of the index of information volunteered.

of the relative importance of individual items may clarify the apparent differences in regional practices.

Table 21 shows the results of the indices of information volunteered when SMSAs are divided according to size. For case 1 the table indicates that when differential treatment occurred rental agents volunteered more information to whites in large SMSAs and more information to blacks in small SMSAs. The difference in discriminatory treatment is not statistically significant for small SMSAs, which probably reflects the smaller number of audits conducted in small SMSAs. For case 2 the table indicates a similar pattern. Rental agents volunteered more information to whites in large SMSAs and more information to blacks in small SMSAs. The difference is statistically significant for large SMSAs but not significant at the 0.10 level or lower for small SMSAs.

THE RELATIONSHIP BETWEEN THE INDICES OF INFORMATION VOLUNTEERED AND THE INDEX OF HOUSING AVAILABILITY

Tables 22 and 23 present the cross-tabulation of the aggregate indices of information volunteered and the aggregate index of housing availability. These tables are used to determine whether the information volunteered to auditors was related to information given them regarding housing availability. For both case 1 and case 2, the chi-square values are statistically significant at the 0.01 level. The pattern of observed frequencies relative to expected frequencies indicates that the indices of information volunteered are related positively to the index of housing availability. That is, if an auditor of one race was favored on one index, he was more likely

TABLE 21

AGGREGATE INDEX OF DISCRIMINATORY TREATMENT: INFORMATION VOLUNTEERED

(Cases Classified by SMSA Size)

(Percent)

	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
		Case 1		
Large SMSAs (1,433)	41	32	27	5***
Small SMSAs (153)	28	32	40	-8
		Case 2		
Large SMSAs (1,399)	56	27	17	10***
Small SMSAs (148)	53	23	24	-1

NOTE: (1) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, no asterisks that the difference is not statistically significant at the 0.10 level or lower.

(2) Tests of significance were performed on "adjusted" sample sizes equal to the number of cases in parentheses; see footnotes on page 49.

TABLE 22

CROSS-TABULATION OF THE INDEX OF INFORMATION VOLUNTEERED (CASE 1) AND THE INDEX OF HOUSING AVAILABILITY

(Percent)

		INFORMATION VOLUNTEERED		
		WHITE FAVORED	NO DIFFERENCE	BLACK FAVORED
HOUSING AVAILABILITY	WHITE FAVORED	19 (16)	19 (19)	11 (13)
	NO DIFFERENCE	8 (10)	13 (12)	10 (9)
	BLACK FAVORED	6 (7)	8 (8)	7 (6)

Number of cases = 1,575

Chi-square = 40; significant at the 0.01 level

Expected frequencies in parentheses (see table 9)

NOTE: "Number of cases" is the "adjusted" sample size for which cross-tabulation was performed; see footnote 2 on page 49.

TABLE 23

CROSS-TABULATION OF THE INDEX OF INFORMATION VOLUNTEERED (CASE 2) AND THE INDEX OF HOUSING AVAILABILITY

(Percent)

HOUSING AVAILABILITY	INFORMATION VOLUNTEERED: WHITE FAVORED	INFORMATION VOLUNTEERED: NO DIFFERENCE	INFORMATION VOLUNTEERED: BLACK FAVORED
WHITE FAVORED	16 (13)	25 (27)	8 (9)
NO DIFFERENCE	6 (8)	19 (17)	5 (5)
BLACK FAVORED	4 (6)	12 (12)	5 (4)

Number of cases = 1,537

Chi-square = 44; significant at the 0.01 level

Expected frequencies in parentheses (see table 9)

NOTE: "Number of cases" is the "adjusted" sample size for which cross-tabulation was performed; see footnote 2 on page 49.

to have been favored on the other index. The two discriminatory techniques tend to complement each other.

For case 1 the chi-square values indicate that the relationship between the indices is not statistically significant for the West and for small SMSAs. For the other three regions and for large SMSAs, the relationship is significant at the 0.01 level. For case 2 the relationship between indices is not statistically significant in the West. For the other three regions and for large and small SMSAs, the two indices are statistically significant at the 0.01 level. The lack of statistical significance for the West reflects the small sample size for that region.

RESULTS FOR AUDITS IN WHICH BOTH AUDITORS SAW THE SAME AGENT

This part reports audit results when cases were deleted in which matched team members saw different rental agents. Excluding these cases eliminates some of the randomness in differential treatment of auditors resulting from rental agents' differing personal styles. Although the experiment could have been designed so that both auditors saw the same rental agent, the audit designers wanted both team members to make the same type of approach as they entered the rental complex. Therefore, they arrived unannounced and requested an apartment of a specified size. To do otherwise would have needlessly complicated other aspects of the experiment's design.

To determine whether teammates saw the same rental agent, the auditors were instructed to request a business card when they left the rental office if the agent had not offered a card. If the agent had no business card, the auditors were to ask for his name. In the sample, 57 percent of the teams saw the same agent, while 19 percent saw different agents. In 24 percent of the cases (mainly because one or both of the auditors did not obtain a business card or the name of the rental agent), it could not be determined whether the auditors saw the same rental agent. These cases were omitted from the analysis.

INDIVIDUAL ITEMS

Housing Availability

The absolute difference between "white favored" and "black favored" increased by 7 percentage points with respect to the number of apartments agents volunteered were available and decreased by 4 percentage points with respect to information provided about the length of the waiting list. Differential treatment for the remaining items changed by no more than 3 percentage points.

Courtesy

Deleting cases in which the black and white auditors saw different agents generally increased the differences between "white favored" and "black favored." However, none of the increases were more than 2 percentage points.

Terms and Conditions

The item regarding the length of the credit check changed from the black's being favored by a difference of 2 percentage points to the white's being favored by a difference of 6 percentage points. In neither case is the result statistically significant at the 0.10 level or lower. None of the remaining items in this category changed by more than 3 percentage points.

Information Requested

None of the items changed by more than 1 percentage point.

Information Volunteered

The difference in information volunteered about lease requirements increased by 3 percentage points and became statistically significant. The difference in information volunteered about the security deposit and about a credit check changed by 4 percentage points. The remaining two items each changed by less than 2 percentage points.

AGGREGATE INDICES

Housing Availability

The absolute difference between "white favored" and "black favored" on the index of housing availability increased by 6 percentage points (to 33 percent) for the national sample, 1 percentage point for the Northeast, and 12 percentage points for the South. It decreased by 3 percentage points for the North Central region and 5 percentage points for the West.

Courtesy

The only notable change in the aggregate index of courtesy occurred in the West. The absolute difference between "white favored" and "black favored" changed from 10 percentage points favoring whites to 2 percentage points favoring blacks. However, neither of the differences is statistically significant because the sample size is so small for the West--fewer than 100 audits.

Terms and Conditions

The difference in the index of terms and conditions for the North Central region changed from blacks' being favored by 5 percentage points to whites' being favored by 1 percentage point. Neither of these differences is statistically significant, however, and none of the differences in treatment for the other three regions or for the national sample changed by more than 2 percentage points.

Information Requested

None of the differences in treatment changed by more than 3 percentage points.

Information Volunteered

The absolute difference in the index of information volunteered for the West changed from 7 percentage points to no difference. But, again, neither of these differentials is statistically significant. None of the differences for the other three regions or for the national sample changed by more than 3 percentage points.

ALTERNATIVE INDEX OF HOUSING AVAILABILITY

The index of housing availability used earlier treated "ambiguous" cases as equivalent to cases in which audit teammates were treated with no difference. An ambiguous case is one in which both teammates were treated favorably on at least one of the index items. The aggregation technique used made no distinction among cases in which both auditors were treated no differently on all index items, cases in which both auditors were favored on the same number of items, and cases in which both auditors were treated favorably but one auditor was favored on more items than his teammate. This section presents an alternative index of housing availability: If an auditor was favored on more index items than his teammate, he is considered to have been treated favorably.

This alternative index gives equal weight to each of the items included in the index, which is a disadvantage because some items may be intrinsically more important than others. However, the technique has the advantage of treating ambiguous cases as being different from cases in which both audit teammates were treated no differently and from cases in which both auditors were favored on the same number of items. Thus, if one auditor was favored on two of the housing availability items and his teammate was favored on one item, the case is counted as favoring the first auditor; the aggregation technique previously used would have considered this case as being equivalent to one in which both auditors were treated no differently.

Table 24 presents the alternative index of housing availability. The items included in the index are the same as those reported earlier: apartment availability, first or second choice, apartments volunteered, and waiting list. All instances in which the white auditor was favored on at least one more item than the black auditor were classified as "white favored." All cases in which the black was favored on at least one more item than the white auditor were classified as "black favored." Cases classified "no difference" are limited to those in which teammates were treated exactly the same on all items and cases in which both teammates were favored on the same number of items.

The results in tables 3 and 24 are remarkably similar; that is, the reported estimates of racial discrimination are insensitive to this change in how the index was constructed. The national results in table 3 indicate that blacks encountered discrimination in 27 percent of their attempts to find rental units. In table 24 the national estimate is 28 percent. Changes in the regional results are minimal, with the Northeast still considerably lower than the other regions. The national and regional results are all statistically significant at the 0.01 level.

LIMITATIONS

1. Auditing, even when conducted rigorously, cannot detect all forms of discrimination. Because none of the audits were carried through to the point of putting down a security deposit or application fee, some important forms of discrimination were undoubtedly undetected. This problem is less important for rental audits than for sales audits, however.

TABLE 24

ALTERNATIVE INDEX OF DISCRIMINATORY TREATMENT: HOUSING AVAILABILITY

(Percent)

	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
NATIONAL	31	49	21	28***
Northeast	32	44	24	20***
North Central	34	50	17	33***
South	27	52	21	31***
West	34	49	17	32***

NOTE: (1) Percentages in first three columns may not total 100 because of rounding.

(2) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level.

2. In computing measures of discrimination against blacks in the rental housing market, it was assumed that differential treatment favoring blacks was due solely to the randomness of the auditing technique. If this assumption is incorrect--that is, if there was some discrimination against whites as well as against blacks--the measured differential treatment would indicate only the extent to which discrimination against blacks exceeded discrimination against whites. That is, it would understate the absolute level of discrimination against blacks. Several alternative explanations for differential treatment favoring blacks are possible. Although some preliminary analysis of the in-depth site audits (where recent data on the racial composition of census tracts are available) indicates little discrimination against whites, more extensive investigation will be needed before one can assume confidently that discrimination against whites is not very important.

The auditing procedures themselves lead to some nonrandom cases of differential treatment in which rental agents treated black auditors more favorably. Since the black auditor always preceded the white auditor in the rental test, some rental agents undoubtedly believed that the black would rent a single vacant unit. Although all auditors were carefully instructed not to leave the impression that they were interested in the apartment offered, some black auditors' possible overzealousness or some rental agents' misinterpretation of auditors' intents could have left the rental agent believing that the black would have rented a vacant apartment.

Hence, the agent would have presented the unit as less available for the white auditor. Unfortunately, this hypothesis cannot be tested.

In addition, because the black auditor visited the rental complex first, the white teammate would more frequently arrive during lunch hour or before closing. These arrival times for the white suggest that, even if the agent wanted to treat both auditors no differently, whites might have been treated less favorably. Such disparate arrival times could explain some of the ambiguous cases. That is, if the white arrived just before lunch, the rental agent may have treated him favorably on the items related to availability but may not have conveyed much information about lease requirements or a security deposit. Again, there is no obvious, straightforward way to test this hypothesis.

3. Finally, and possibly most importantly, the results reported here relate only to a search process that used newspaper advertisements to find available apartments. Because many discriminatory landlords might choose not to advertise vacant units in newspapers, the level of observed racial discrimination in the rental housing market is probably underestimated.

Given all of these limitations, it is remarkable that such high levels of discrimination in the rental market were observed.

CHAPTER 3

RACIAL DISCRIMINATION IN THE SALES HOUSING MARKET

The audit procedure for the sales housing market was somewhat different from that used in the rental housing market. In the rental market, blacks always preceded whites in visiting a particular rental complex, with the white auditors visiting the site usually within an hour of their black teammates. The rental audits were conducted at specific apartment buildings or complexes; auditors arrived unannounced and inquired about vacancies in the building or complex they were assigned. In the sales market, however, although auditors usually arrived at real estate offices unannounced, they did not inquire about a specific house or houses. Instead, they inquired about housing of a designated price and size, and a general location.[1] As in the rental audit, both auditors always made the same request, so that differential treatment does not reflect the auditors' different housing preferences.

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[1] The selection of neighborhoods to be requested by auditors was exceptionally difficult because the locations of sales properties and real estate offices are not always identified in newspaper advertisements. Centralizing sampling at project headquarters in Washington, D.C., ensured sampling consistency across sites. However, because headquarters staff designated the neighborhoods to be requested by auditors, the staff had to determine the exact location of every real estate office (selected randomly from newspaper advertisements) and designate a neighborhood that appeared reasonably close to the office to be audited. Working with street maps, telephone directories, and a variety of other material, headquarters staff first identified the location of an office and then designated a "neighborhood" that surrounded, was adjacent to, or was not too distant from the office. This procedure was not foolproof; audit supervisors who discovered neighborhood designations many miles distant from an office or who discovered terminology unlikely to be used to

Since auditors did not request information about a particular house, the black auditor did not have to precede the white. Ideally, blacks should have preceded whites half the time and whites preceded blacks the other half. However, this approach would have unduly complicated audit supervisors' and auditors' tasks, so whites arbitrarily preceded blacks in all sales audits.

A longer time was allowed to complete the sales audits to reduce the likelihood that auditors would run into their teammates during their site visits. Because the neighborhood the auditors requested always covered a sufficiently broad area, the likelihood of a change in the number of properties for sale over a day or so was minimal. Auditors were allowed up to 32 hours to complete their visits to a particular real estate office. In many cases, black auditors' site visits were on the day following their white teammates' visits. For those audits conducted on the same day, white auditors normally visited the site in the morning, and their black counterparts visited the site in the afternoon. The agents spent widely varying amounts of time with prospective customers. As in

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describe the market area designated by Washington staff were instructed to change the "neighborhood" accordingly. (Most changes received prior approval from Washington.) No attempt was made to select neighborhoods by their racial composition or any other criterion except that the neighborhoods requested had to be either the location of properties as advertised in the newspaper or the location of the real estate office. (Frequently, the neighborhood designated was a suburban political jurisdiction.) Future analysis of audit data for evidence of racial steering will address whether treatment of auditors may have been related to the neighborhoods they requested.

rental audits, sales auditors completed their standardized report forms shortly after visiting the sites.[1]

For this chapter, sales items are grouped into four main categories:

- housing availability
- courtesy
- service
- household information requested.

Two other categories--financing, and terms and conditions--were considered for inclusion. Because the sales audits simulated only the initial phase of searching for a house (auditors were instructed not to express definite interest in a particular house or houses), the study includes relatively little information about different treatment according to race with respect to financing the purchase of a house. Therefore, the important role that real estate agents may assume in assisting prospective buyers to obtain financing is relatively unexamined in this report. (The limited information on financing that has been collected will be included in a later report.) The terms and conditions category will use items from the audit report forms for houses suggested as serious possibilities and/or houses the auditors actually inspected.[2]

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[1] Auditors omitted surprisingly few items from their reports. The quality of the data--particularly the low number of missing items--is especially important because this report is based on an analysis of the comparative treatment accorded two teammates on individual items included on the Sales Audit Report Form.

[2] Because of an unfortunate error during keypunching data about specific houses, analysts could not ensure that the information given the

A final category, sales effort, will also be considered for inclusion in a subsequent report. The Sales Audit Report Forms contained a series of questions about the degree to which a sales agent seemed intent on closing a deal or, at least, on arousing the interest of a prospective buyer. The forms also contained control questions that will allow a comparison of the actual characteristics of a particular house and neighborhood with the real estate agent's comments about that house and neighborhood.

The nature of the sales market is very different from that of the rental market. Reported results of sales audits may differ somewhat from those of rental audits for at least three reasons:

1. Two members of a sales audit team are much less likely to see the same real estate agent than two members of a rental team are to see the same rental agent.
2. Because buying a house is a much longer and more involved process than renting an apartment, there are also more opportunities for differential--and often subtle--treatment of prospective homebuyers. Some of them were never examined during this study.
3. Real estate agents' incomes--unlike those of rental agents--are based predominantly on sales commissions; hence, there is an

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two members of an audit team about a particular house was, in fact, about the same house. This error is being corrected and the terms and conditions category will be analyzed for inclusion in a subsequent report on evidence of steering.

incentive to serve both blacks and whites, even if one race may receive, on average, better treatment.

HOUSING AVAILABILITY

INDIVIDUAL ITEMS

Differential treatment regarding housing availability is an especially important indication of discrimination because differential treatment on these items is a clear violation of fair housing legislation, and differential treatment on these items is perhaps the most fundamental form of discrimination a person might encounter. The most direct measures of access to housing are those questions that indicate what auditors were told or offered with respect to the housing they requested (see questions 21 through 25 in appendix D). These questions reflect the procedures all auditors were instructed to follow. Each sales auditor was to request housing by price, size, and general neighborhood location; both members of an audit team were to make identical requests. They were to be firm but not overly persistent in presenting their requests and in soliciting suggestions from the agent about houses that would meet their preferences. If an agent attempted to dissuade an auditor from his request, the auditor was instructed to repeat his request until efforts to do so appeared fruitless. Similarly, if an agent attempted to have the auditor select available houses--e.g., from a multiple listing directory--the auditor was always to attempt to have the agent suggest possibilities. Auditors were also encouraged to inspect houses that agents suggested.

In fact, if they did not inspect at least two houses, they were to explain why.[1]

Table 25 presents the national results for each of the six items relating to housing availability. With respect to what an auditor was told in response to his housing request, both auditors were treated no differently in 68 percent of the cases. In the 32 percent of the cases in which auditors were treated differently with respect to responses to the housing request, the white auditor was favored nearly twice as many times (21 percent) as the black (11 percent). This observed difference in frequency with which whites were treated more favorably than blacks is significant at the 0.01 level. Not reported is that three-quarters of all auditors were told that something was available for inspection immediately, although the percentage varied. Whites were told something was immediately available 81 percent of the time, but blacks received the same response only 70 percent of the time.

This question is perhaps the single most important item on the Sales Audit Report Form, because it deals directly with the auditors' stated

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[1] During the pilot audit conducted in January and February 1977 in Cincinnati, Ohio, it became apparent that the extra time and transportation costs of inspecting houses deterred auditors from completing their audits as directed. Therefore, in the general audit, auditors were compensated for each house inspected up to a maximum of four. This extra incentive was felt necessary if the study was to reveal any possible steering into or away from segregated neighborhoods. However, because this extra incentive to inspect houses may distort the results slightly (e.g., if the monetary incentive was for some reason more important to white auditors than to blacks or vice versa), the question on houses inspected was deleted from the aggregate index of housing availability. (Results with or without this question differ only marginally.)

TABLE 25

HOUSING AVAILABILITY

(Percent)

	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	NET DIFFERENCE
HOUSING AVAILABILITY (1,525)	68	21	11	10***
MULTIPLE LISTING DIRECTORY OFFERED (1,642)	67	13	20	-7***
OTHER LISTINGS OFFERED (230)	76	18	6	12***
HOUSES VOLUNTEERED (1,640)	22	54	24	30***
INVITATIONS TO INSPECT HOUSES (1,642)	23	46	31	15***
HOUSES INSPECTED (1,642)	35	38	28	10***

NOTE: (1) Percentages in first three columns may not total 100 because of rounding.

(2) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level.

(3) Numbers in parentheses are the unweighted number of cases; tests of significance were performed on an "adjusted" sample size of equal magnitude. See footnotes on page 49.

preferences (i.e., price, size, and location requested). Responses to most of the items about availability on the form could be classified as unambiguously preferable (or less preferable) treatment. For example, three house inspections represent "better" treatment than one house inspection. In a few cases, however, doubt remained about which of two responses concerning housing availability was in fact preferable--for example, whether being told nothing was immediately available in the neighborhood requested was less favorable treatment than being told nothing was available of the price or size housing requested in the desired neighborhood. (See question 21 on the Sales Audit Report Form in appendix D.) In such situations, differential treatment of audit teammates was measured first with one of the responses assumed to be preferable and then with the other response assumed to be preferable. If no significant differences occurred in the frequencies with which blacks and whites were favored under these alternative assumptions, the original ordering of the responses was accepted.

With respect to being shown a multiple listing or other similar directory, auditors were treated no differently with approximately the same frequency as in the case of housing requested--67 percent. However, when differential treatment occurred, the black was favored more frequently than the white, and the difference is significant at the 0.01 level.[1] This result is somewhat surprising because it is counter to the results of the other availability items, which show large differential treatments favoring the white auditor. The differences in the frequencies with which whites were treated more favorably than blacks for the four remaining availability items range from 10 to 30 percentage points and are statistically significant at the 0.01 level.

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[1] Offering a multiple listing directory may be a means by which an agent avoids recommending particular houses or housing locations to

INDEX OF HOUSING AVAILABILITY

Housing availability is crucial to homebuyers; it is probably more important in ensuring accessibility than any other single category of treatment accorded buyers by real estate agents. Therefore, differences in housing availability for blacks and whites also probably constitute this study's clearest evidence of the extent of discrimination in the housing market. The aggregate index of housing availability combines four of the six individual items reported in table 25--housing availability, multiple listing or similar directory offered, houses volunteered by the agent as serious possibilities, and invitations to inspect houses. The question of whether real estate agents suggested other houses if they did not show a multiple listing or similar directory to auditors was omitted because either the black or the white auditor was favored in only

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homeseeker. Analysis of audit data has not revealed that offering a directory invariably, or even frequently, means that agents did not also suggest particular houses to auditors or invite them to inspect houses. Further exploration of this issue is planned; however, analysis has so far indicated that being offered a directory is not necessarily a substitute for suggesting houses to auditors (either blacks or whites) or for inviting auditors to inspect houses. Therefore, for this report it is considered favorable treatment to be offered a multiple listing directory.

a very few cases (55 of 1,655). The number of houses actually inspected was also excluded because results may have been distorted due to the incentive given auditors to inspect houses (see footnote on page 119). Including or excluding these two items has little effect on the results.

The following criteria were used to derive the aggregate index of housing availability:

- If the real estate agent treated both auditors no differently on all items, the index is classified as "no difference." If the case is ambiguous, with both the white and the black favored on at least one item, the index is also classified as "no difference."
- If the real estate agent treated the white auditor more favorably on one or more items and did not treat the black auditor more favorably on any item, the index is classified as "white favored."
- If the real estate agent treated the black auditor more favorably on one or more items and did not treat the white auditor more favorably on any item, the index is classified as "black favored."

Table 26 presents the findings. In all four census regions and in the nation as a whole, the white was more likely to have been favored than the black. Nationally, whites were favored in 39 percent of the total cases compared to only 24 percent for blacks, or a difference of 15 percent. This more frequent favorable treatment of whites is significant at the 0.01 level, as it is also for all regions except the West.

The index of discriminatory treatment indicates that black auditors were discriminated against in the North Central region more than twice the level nationally and about three times the level for other census regions. The Kruskal-Wallis test shows that the observed differences among regions are statistically significant at the 0.30 level (see footnote on page 63).

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TABLE 26

AGGREGATE INDEX OF DISCRIMINATORY TREATMENT:

HOUSING AVAILABILITY

(Percent)

	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
NATIONAL (1,641)	37	39	24	15***
Northeast (469)	33	39	29	10***
North Central (329)	23	55	22	33***
South (790)	46	33	22	11***
West (53)	34	39	27	12

NOTE: (1) Percentages in first three columns may not total 100 because of rounding.

(2) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, no asterisks that the difference is not statistically significant at the 0.10 level or lower.

(3) Tests of significance were performed on "adjusted" sample sizes equal to the number of cases in parentheses; see footnotes on page 49.

Table 26 indicates the frequency with which black auditors encountered discrimination and is an estimate of the percentage of sales agents who discriminate. But the effect on blacks' housing search behavior may be greater than table 26 indicates. House seekers may be expected to encounter more than one real estate agent in their search to buy a home (especially where marketing through "open houses" is prevalent). Therefore, table 27 presents the probability that a black will encounter discrimination in a housing search involving visits to three or more real estate offices given that 15 percent of sales agents discriminate.[1]

The table indicates that if a black visited four real estate offices, the probability of his encountering at least one instance of discrimination would be 48 percent. A table similar to table 27 for each of the census regions would show that, in every region, a black who visits four real estate offices could expect to encounter discrimination in housing availability at least 34 percent of the time.[2] (For the North Central region, the probability of his encountering discrimination in at least one of four visits would be 80 percent.) The 15 percent estimated level of discrimination in the sales market is believed to be conservative.

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[1] See the discussion for the rental market that parallels that given here for the sales market.

[2] Relatively little is known about the number of real estate offices visited in a typical housing search. However, a recent study suggests that visiting four offices is about average. See Donald J. Hempel and Subhash C. Jain, "House Buying Behavior: An Empirical Study in Cross-Cultural Buyer Behavior," Journal of the American Real Estate and Urban Economics Association, vol. 6, no. 1, pp. 1-21.

TABLE 27

PROBABILITY THAT A BLACK WILL ENCOUNTER DISCRIMINATION GIVEN A 15 PERCENT LEVEL OF DISCRIMINATION

		NUMBER OF OFFICES VISITED		
		3	4	5
NUMBER OF ACTS OF DISCRIMINATION	0	.61	.52	.44
	At Least 1	.39	.48	.56
	At Least 2	.06	.11	.17

NOTE: Numbers are derived by a simple formula and are binomial probabilities; for example, $0.48 = 1-(1-0.15)^4$.

If it is, the probability that a black would encounter at least one act of discrimination in a typical housing search is even higher than table 27 indicates.

Table 27 must be interpreted carefully. If 15 percent of sales agents discriminate, then a black who visits several agents during a housing search is likely to encounter discrimination with greater probability than a black who visits only one agent. As can be seen from the table, blacks who visit several agents have a rather high likelihood of being treated discriminatorily even if "only" 15 percent of agents discriminate. It is unknown to what extent a discrimination level of 15 percent affects the search behavior of blacks. However, in explaining the impact of discrimination on search behavior, the perceptions of black homeseekers are probably at least equally important to their knowledge that they will, or may, encounter discrimination. The probability of encountering discrimination is not the same as the probability of perceiving to have been discriminated against. The search behavior of blacks is constrained directly by discriminatory treatment and, indirectly, by perceptions or by anticipation of discriminatory treatment. As the remainder of this chapter attests, discriminatory treatment in the sales market is very difficult to detect, even by auditing, and especially by the auditors themselves. However, as Courant has shown, the perception even of a rather low frequency of discriminatory treatment can greatly affect housing search behavior.[1]

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[1] Courant, op. cit.

INDICES FOR AUDITS CONDUCTED IN LARGE SMSAs COMPARED TO AUDITS CONDUCTED IN SMALL SMSAs

Dividing audits into 32 large SMSAs and 8 small SMSAs allows investigation of the possible differences in the nature and extent of housing market discrimination in metropolitan areas of various sizes. Variation in discrimination between areas of different populations is to be more carefully explained after multiple regression analysis of audit data is performed. However, it was decided to include the results of dividing cases by large and small SMSA in this report primarily because of the interesting results of this division in the sales market.

Table 28 shows the results of the index of housing availability when SMSAs are divided according to size. The level of discrimination observed in small SMSAs is half the level observed in large SMSAs. Although the Mann-Whitney test[1] indicates that observed variation in discriminatory levels as measured by the index of housing availability is not statistically significant (at the 0.30 level or lower), each of the other indices of discriminatory treatment in the sales market will be examined using this division of cases to get a rough estimate of the differences in sales market discrimination that may be attributed to the size of the metropolitan area in which audits were conducted.

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[1] The Mann-Whitney test is a relatively restrictive test and may understate the degree to which observed differences in discriminatory practices or levels by SMSAs of different sizes is significant. Regression analysis is much more appropriate for determining the effect that SMSA size may have on discriminatory treatment of blacks.

TABLE 28

AGGREGATE INDEX OF DISCRIMINATORY TREATMENT: HOUSING AVAILABILITY

(Cases Classified by SMSA Size)

(Percent)

	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
Large SMSAs (1,315)	37	40	23	17***
Small SMSAs (327)	36	36	28	8**

NOTE: (1) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, two asterisks that the difference is statistically significant at the 0.05 level.

(2) Tests of significance were performed on "adjusted" sample sizes equal to the number of cases in parentheses; see footnotes on page 49.

COURTESY

INDIVIDUAL ITEMS

A key difference between sales and rental housing markets is that a sales agent provides more service to both sellers and buyers. The measure of a successful broker or real estate agent is the frequency with which he can match buyers' and sellers' needs simultaneously. It is assumed that agents will provide whatever services are at their command, and will do so courteously. Unlike the rental market, where an apartment seeker cannot go to a different agent for information about a particular building, sales offices and agents compete in soliciting buyers. Sales agents also have more flexibility than rental agents. Rental agents, especially those audited in this study, are likely to have information regarding units only in one building or complex.[1] Sales agents generally have information on a variety of available properties, including properties that may be in primarily black or integrated neighborhoods. Therefore, not only would it be expected that both whites and blacks would be treated courteously, it would also be expected that no differences would exist in courtesies offered white and black teammates. By and large, the expectation that auditors would be treated courteously is confirmed; however, compared to the rental market, larger differences in courtesy accorded black auditors and white auditors occurred.

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[1] Rental auditors were assigned to buildings or complexes, not to property management firms, real estate firms, or apartment listing service agencies.

Table 29 presents the findings for the items from the Sales Audit Report Form that can be considered common courtesies. Responses to the first item indicate that black auditors were twice as likely to wait longer than their white teammates. The difference is significant at the 0.01 level. Control questions on the audit report form allowed the determination of whether the length of wait for an interview and the time spent during a site visit were affected by the number of employees and customers present during an interview. That is, an auditor would be likely to wait longer than his teammate if there were fewer employees available, if there were more customers present, or both. Even after cases are excluded in which the number of employees and customers present may have explained differences in the length of an auditor's wait, statistically significant differences unfavorable to black auditors still exist.

White auditors were more likely to have been offered a drink or cigarettes, to have been offered a seat, and to have had the agent introduce himself. For each of these items, the differences are fairly large and statistically significant at the 0.01 level. For example, in 19 percent of the cases, the white auditor was asked to be seated while the black teammate was not; 12 percent of the time the black auditor was offered a seat while the white teammate was not.

Most auditors were asked their names (to be expected if agents treated auditors as prospective buyers), but when one member of an audit team was asked and the other was not, the difference favored whites.

TABLE 29
COURTESY
(Percent)

	NO DIFFERENCE	OCCURRED FOR WHITE ONLY	OCCURRED FOR BLACK ONLY	NET DIFFERENCE
SHORTER WAIT BEFORE INTERVIEW (1,623)	70	20	10	10***
DID ANYONE OFFER DRINKS, CIGARETTES, ETC. (1,646)	73	16	11	5***
DID ANYONE ASK YOU TO BE SEATED (1,646)	69	19	12	7***
DID ANYONE CHAT INFORMALLY WITH YOU WHILE YOU WAITED (1,642)	64	18	18	0
DID AGENT INTRODUCE SELF (1,642)	73	17	9	8***
DID AGENT ASK YOUR NAME (1,641)	86	8	6	2***
DID AGENT SHAKE YOUR HAND (1,641)	65	19	16	3**
DID AGENT ADDRESS YOU BY TITLE (1,640)	56	23	21	2

NOTE: (1) Percentages in first three columns may not total 100 because of rounding.

(2) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, two asterisks that the difference is statistically significant at the 0.05 level, and no asterisks that the difference is not statistically significant at the 0.10 level or lower.

(3) Numbers in parentheses are the unweighted number of cases; tests of significance were performed on an "adjusted" sample size of equal magnitude. See footnotes on page 49.

Eight percent of the white auditors were asked their names while their teammates were not, but only 6 percent of the black auditors were asked while whites were not. Although the absolute difference is small, the probability that it is the result of chance is less than 0.01.

Agents were more likely to shake hands with white auditors than with black auditors, although the large percentage of female auditors probably explains why relatively few auditors (about 32 percent) were accorded this courtesy.

Only two items showed differences that were not statistically significant at the 0.10 level or lower. The likelihood that anyone in the sales office would chat informally with either auditor occurred equally, regardless of the auditor's race. And the difference in the likelihood of an agent's addressing either auditor by title was small and not statistically significant at the 0.10 level or lower.

INDEX OF COURTEOUS TREATMENT

Aggregating responses to individual courtesy items allows the determination of whether an auditor was treated better, on average, than his teammate. To construct an index of courteous treatment, "address by title" was excluded because it is difficult to rank the outcome of this item as being either "better" or "worse" treatment. Therefore, the index of courteous treatment aggregates treatment on the following seven items:

- length of auditor's wait before interview
- offer of drinks, cigarettes, etc.
- offer of a seat

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- informal chat with auditor while waiting
- agent's introducing self to auditor
- agent's asking auditor's name
- agent's shaking auditor's hand.

The individual responses to all seven items are combined according to the same criteria used for combining responses about housing availability (see page 123).[1]

Table 30 indicates that in both the Northeast and the West, white auditors were favored slightly more often than black auditors, but not at

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[1] Choosing appropriate indices for the sales market was more difficult than it was for the rental market. Items were excluded for which there were no a priori grounds that one response should be ranked as more or less favorable than another. Generally, items were also excluded if the number of ambiguous cases--cases in which both auditors were favored on at least one item--was greatly affected. In the sales market, the number of ambiguous cases would be affected substantially by excluding nearly any one item from an index, and there was no a priori basis for choosing items to exclude. Also, if on an item very few cases were observed in which either auditor was favored, the item was excluded. In the sales market, very few cases could be excluded on this criterion. Third, since the Sales Audit Report Form contained more items than the Rental Audit Report Form, items could be aggregated and the number of ambiguous cases kept small only by arbitrarily excluding items or by arbitrarily creating more categories in which to aggregate items. Finally, because of the larger number of opportunities for differential, often subtle, treatment of prospective buyers, a larger percentage of total sales cases was ambiguous. For example, when items for the sales index of courtesy were aggregated, 23 percent of the national total cases were ambiguous. In the rental market, only 14 percent of the cases were ambiguous. (Ambiguous cases are treated as equivalent to cases where treatment was no different; evidence supporting this decision is given in the sections on alternative indices in the rental and sales chapters.)

Including fewer than seven courtesy items in the courtesy index has little effect on the results; that is, the measured differential treatments of black auditors and white auditors in terms of courtesies extended by real estate agents were substantially the same for many different subsets of the seven items aggregated.

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TABLE 30

AGGREGATE INDEX OF DISCRIMINATORY TREATMENT: COURTESY

(Percent)

	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
NATIONAL (1,646)	34	39	27	12***
Northeast (469)	39	31	29	2
North Central (329)	38	35	27	8**
South (795)	29	45	26	19***
West (53)	46	29	25	4

NOTE: (1) Percentages in first three columns may not total 100 because of rounding.

(2) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, two asterisks that the difference is statistically significant at the 0.05 level, and no asterisks that the difference is not statistically significant at the 0.10 level or lower.

(3) Tests of significance were performed on "adjusted" sample sizes equal to the number of cases in parentheses; see footnotes on page 49.

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levels statistically significant at the 0.10 level or lower. In the South, however, white auditors were treated more favorably in 45 percent of the cases, while black auditors were treated more favorably only 26 percent of the time, for a difference of 19 percent. This differential is statistically significant at the 0.01 level. The difference of 8 percent for the North Central region is statistically significant at the 0.05 level. After weighting adjustments are made, approximately half of the total cases reflect audits conducted in the South. Hence, the large and statistically significant at the 0.01 level differential treatment favoring whites in the national sample reflects the substantial differentials favoring whites in the South.

The treatment of ambiguous cases as equivalent to cases in which both auditors were treated no differently does not greatly affect the substantial evidence of discriminatory treatment contained in this report. However, this treatment of ambiguous cases obscures the fact that substantial differences exist in the way sales and rental agents treat prospective customers. In many of the rental cases classified as treated no differently, that treatment results from neither auditor's being accorded the service. For example, rental auditors were invited to sit down only 22 percent of the time; sales auditors were accorded this courtesy 79 percent of the time. Therefore, the likelihood of both a larger percentage of ambiguous cases and a lower percentage of cases in which both auditors were treated no differently is partly explained by the greater frequency with which sales auditors were likely to be accorded at least one of the courtesies included in the aggregate measure. It is also true that a larger number of items is generally included in the sales indices, allowing more opportunities for both auditors of a team to be favored on at least one item. In sum, the treatment of ambiguous cases as equivalent to cases where the treatment was no different masks the fact that there are important differences in the frequencies with which services or courtesies are accorded prospective homebuyers and apartment renters.

For the index of courtesy, cases were again divided by SMSA size (table 31). The difference in the level of discrimination encountered in small SMSAs relative to the level encountered in large SMSAs is even more pronounced than that observed for the index of housing availability. Substantial differences between discriminatory treatment by SMSA size indicate that black auditors, on average, were actually treated more courteously than white auditors in the smaller SMSAs. The Mann-Whitney test indicates that this difference between large and small SMSAs was likely to have occurred by chance less than 30 percent of the time.

THE RELATIONSHIP BETWEEN THE INDEX OF COURTESY AND THE INDEX OF HOUSING AVAILABILITY

Although the aggregate indices of courtesy and housing availability identify systematic patterns of discrimination within each category, it is also important to explore possible relationships among alternative forms of discrimination. This section examines whether courtesy is related in any way to treatment in terms of housing availability. Table 32 presents the cross-tabulation of the aggregate index of courtesy and the

TABLE 31

AGGREGATE INDEX OF DISCRIMINATORY TREATMENT: COURTESY

(Cases Classified by SMSA Size)

(Percent)

	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
Large SMSAs (1,319)	34	42	24	18***
Small SMSAs (327)	36	26	39	-13***

NOTE: (1) Percentages in first three columns may not total 100 because of rounding.

(2) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level.

(3) Tests of significance were performed on "adjusted" sample sizes equal to the number of cases in parentheses; see footnotes on page 49.

TABLE 32

CROSS-TABULATION OF THE INDEX OF COURTESY AND THE INDEX OF HOUSING AVAILABILITY

(Percent)

		COURTESY		
HOUSING AVAILABILITY		WHITE FAVORED	NO DIFFERENCE	BLACK FAVORED
	WHITE FAVORED	15 (15)	14 (13)	10 (10)
	NO DIFFERENCE	17 (14)	12 (13)	8 (10)
	BLACK FAVORED	6 (9)	8 (8)	9 (6)

Number of cases = 1,642

Chi-square = 52; significant at the 0.01 level

Expected frequencies in parentheses (see table 9)

NOTE: (1) Percentages may not total 100 because of rounding.

(2) "Number of cases" is the "adjusted" sample size for which cross-tabulation was performed; see footnote 2 on page 49.

aggregate index of housing availability. Cross-tabulation allows a statistical analysis of the relationship between the two categories of discriminatory treatment. From the pattern of observed versus expected cell frequencies, one can determine whether discriminatory treatment as measured by the availability index is related to discourteous treatment as measured by the index of courtesy and, if so, how they are related.

The chi-square value of 52 could be expected to occur by chance less than 1 in 100 times. The chi-square results indicate that treatment with respect to courtesy is not independent of treatment with respect to housing availability. Moreover, discriminatory treatment as measured by one index is positively related to discriminatory treatment as measured by the other.[1] That is, if an auditor was treated favorably with respect to availability, he was more likely (than one would expect) to have been treated favorably with respect to courtesy. (This positive relationship is also statistically significant at the 0.01 level.)

Cross-tabulation of indices was also performed for each of the census regions and for large and small SMSAs. For the North Central and Southern regions and for large SMSAs, the results show a strong, positive relationship between the discriminatory treatments measured by the aggregate indices of courtesy and housing availability. The North Central, South, and large SMSA chi-square values are large and statistically significant at the 0.01 level or lower.

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[1] Results of the chi-square test indicate that the indices are not independent. The gamma statistic indicates that the relationship is positive and strong.

The relationship between indices is positive for all cross-tabulations except small SMSAs. The low chi-square results (not statistically significant at the 0.10 level or lower) for small SMSAs and the negative relationship between availability and courtesy offer some evidence that in small SMSAs more courteous treatment need not have been accompanied by favorable treatment with respect to housing availability.

SERVICE

INDIVIDUAL ITEMS

The service category[1] contains 10 items from the Sales Audit Report Form that indicate how seriously agents regarded auditors as potential clients:

- the amount of time an auditor spent with an agent
- whether or not an auditor was offered any literature on specific houses or on buying houses in general
- whether or not the agent offered the auditor a business card
- whether or not the agent requested the auditor's preferred style of housing
- whether or not the agent asked about any special attributes of housing the auditor desired

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1. Items from the Rental and Sales Audit Report Forms are grouped into categories to facilitate understanding the nature and extent of discrimination. Because the rental and sales markets differ substantially with respect to agents' treatment of prospective clients, the rental and sales categories differ. The service category constructed for the sales market reflects the greater likelihood of sales agents' providing prospective buyers with a variety of services that rental agents do not provide prospective renters. The grouping of sales items in this report is considered an improvement over groupings used in the initial study findings of April 1978.

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- whether or not the agent asked about any special neighborhood features or amenities the auditor desired
- whether or not the agent requested a telephone number where the auditor could be reached
- whether or not the agent recorded any information the auditor gave in response to the agent's questions
- whether or not the agent indicated he would assist the auditor to obtain financing
- whether or not the agent invited the auditor to call again.

Table 33 gives the national results for each of the 10 items in the service category. The table shows few items for which either blacks or whites were systematically favored. The largest differential in providing service was the length of the interview. Whites' interviews averaged approximately 1 hour and 40 minutes, while blacks' averaged 1 hour and 25 minutes. When either auditor spent more time with an agent, the white was likely to be favored more frequently than the black (56 percent versus 39 percent). (The difference is statistically significant at the 0.01 level.)

Whites were also treated more favorably with respect to being asked for a phone number where they could be reached and with respect to being invited to call again. Although the net differential treatments favorable to whites are statistically significant at the 0.05 level or less, the absolute percentage of cases in which the white was favored was far less than for the item measuring the time agents spent with auditors.

The only other item where statistically significant differential treatment was observed was the frequency with which agents asked auditors

TABLE 33
SERVICE
(Percent)

	NO DIFFERENCE	SERVICE ACCORDED WHITE ONLY	SERVICE ACCORDED BLACK ONLY	NET DIFFERENCE
LONGER INTERVIEW (1,292)	6	56	39	17***
OFFER OF LITERATURE (1,645)	72	14	14	0
OFFER OF BUSINESS CARD (1,639)	70	16	14	2
HOUSE STYLE DESIRED (1,637)	62	20	19	1
SPECIAL HOUSE FEATURES DESIRED (1,636)	64	15	21	-6***
SPECIAL NEIGHBORHOOD FEATURES DESIRED (1,602)	83	9	9	0
REQUEST FOR PHONE NUMBER (1,640)	72	15	12	3**
AGENT RECORDED INFORMATION (1,474)	61	20	19	1
OFFER OF ASSISTANCE TO OBTAIN FINANCING (706)	62	19	18	1
INVITATION TO CALL AGAIN (1,636)	86	10	4	6***

NOTE: (1) Percentages in first three columns may not total 100 because of rounding.

(2) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, two asterisks that the difference is statistically significant at the 0.05 level, and no asterisks that the difference is not statistically significant at the 0.10 level or lower.

(3) Numbers in parentheses are the unweighted number of cases; tests of significance were performed on an "adjusted" sample size of equal magnitude. See footnotes on page 49.

about any special features they desired in a house. The differential treatment on this item inexplicably favors the black auditor.

One of the by-products of this study is to shed light on just what real estate agents do when they are encountered by a prospective homebuyer. Examining individual service items as table 33 does generally obscures what happened to auditors because "no difference" does not indicate whether the service was accorded to both auditors or to neither auditor. Therefore, table 34 reports how often auditors were accorded particular items of service.

The table shows several interesting results. First, the auditors must have appeared credible as prospective homebuyers based on the large number of instances in which agents seem to have established a professional relationship. Throughout the study there was always the possibility that the auditors may have been detected as auditors or as less-than-serious homebuying prospects and therefore have been treated atypically, but it appears that this was not the case.

Second, the evidence confirming differential treatment on housing availability and, to a lesser extent, on courtesy was based on items for which differential treatment may be especially difficult for one person to detect without having any idea of how another person--virtually identical in all respects except race--would be treated. As can be seen from the frequencies with which both blacks and whites were accorded service, an individual may have no idea that he is being treated differently. Thus, the subtlety with which discriminatory treatment may

TABLE 34

FREQUENCIES WITH WHICH SERVICES WERE ACCORDED AUDITORS

(Percent)

	ALL AUDITORS	WHITES	BLACKS
OFFER OF LITERATURE	27	27	26
OFFER OF BUSINESS CARD	76	77	75
HOUSE STYLE DESIRED	54	55	54
SPECIAL HOUSE FEATURES DESIRED	31	28	34
SPECIAL NEIGHBORHOOD FEATURES DESIRED	10	10	10
REQUEST FOR PHONE NUMBER	80	82	79
AGENT RECORDED INFORMATION	85	88	81
FINANCING ASSISTANCE:			
• AGENT WOULD OBTAIN FINANCING	9	10	8
• AGENT WOULD HELP OBTAIN FINANCING	43	47	38
INVITATION TO CALL AGAIN	91	94	88

be practiced emphasizes the great value of using the audit technique, which may be the only means of detecting discrimination.

Third, whether agents indicated they would assist auditors to obtain financing is also of interest. Agents play a major role in serving financial institutions as well as buyers and sellers. It is unfortunate that this audit did not allow more definitive information on the potential for differential treatment with respect to financing assistance that is thought to exist within the sales market. However, it is worth noting that, even on initial contact, agents frequently indicated that they would assist auditors to obtain mortgage money.

INDEX OF SERVICE

The aggregate index of service combines all 10 items reported in table 33, according to the same criteria used for combining responses about housing availability (see page 123). Unlike the other aggregates, all 10 items mentioned in the previous section were included because all the items showed a fairly large number of cases of differential treatment, and a clear order of preference could be established for all items. Table 35 reports the results for the national sample. It clearly shows nonrandom differential treatment that is much lower than for either the index of housing availability or the index of courtesy.

Nationally, whites were treated more favorably on the index of service 27 percent of the time (i.e., accorded more service than blacks on at least one item and service that was no different on the remaining

TABLE 35

AGGREGATE INDEX OF DISCRIMINATORY TREATMENT: SERVICE

(Percent)

	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
NATIONAL (1,645)	50	27	24	3**
Northeast (468)	59	19	22	-3
North Central (329)	56	23	21	2
South (795)	42	32	26	6**
West (53)	52	33	15	18*

NOTE: (1) Percentages in first three columns may not total 100 because of rounding.

(2) Two asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.05 level, one asterisk that the difference is statistically significant at the 0.10 level, and no asterisks that the difference is not statistically significant at the 0.10 level or lower.

(3) Tests of significance were performed on "adjusted" sample sizes equal to the number of cases in parentheses; see footnotes on page 49.

items). Blacks were treated more favorably in 24 percent of the cases. The difference between the two--3 percent--is small but statistically significant at the 0.05 level.

For each of the four census regions, differences ranged from -3 percent in the Northeast to 18 percent in the West. In the South and West the differences are statistically significant at the 0.10 level or lower; the differences for the other two regions are not statistically significant at this level. (Nevertheless, the Kruskal-Wallis test indicates that the observed regional differences are statistically significant at the 0.30 level.)

Comparing the index of service for large SMSAs and small SMSAs yields findings similar to those for the index of housing availability and the index of courtesy (see table 36). Blacks were more likely to be substantially better treated in small SMSAs than in large SMSAs. (The Mann-Whitney test indicates that results are statistically significant at the 0.20 level.)

THE RELATIONSHIP BETWEEN THE INDEX OF SERVICE AND THE INDEX OF HOUSING AVAILABILITY

Table 37 presents the cross-tabulation of the aggregate index of service and the aggregate index of housing availability. It indicates a strong, positive relationship between service and housing availability. The probability of obtaining a chi-square value of 127 is less than 0.01, and the service accorded auditors is very positively related to the treatment they received with respect to housing availability.

TABLE 36

AGGREGATE INDEX OF DISCRIMINATORY TREATMENT: SERVICE

(Cases Classified by SMSA Size)

(Percent)

	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
Large SMSAs (1,318)	51	28	21	7***
Small SMSAs (327)	44	20	36	-16***

NOTE: (1) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level.

(2) Tests of significance were performed on "adjusted" sample sizes equal to the number of cases in parentheses; see footnotes on page 49.

TABLE 37

CROSS-TABULATION OF THE INDEX OF SERVICE AND THE INDEX OF HOUSING AVAILABILITY

(Percent)

	SERVICE		
HOUSING AVAILABILITY	WHITE FAVORED	NO DIFFERENCE	BLACK FAVORED
WHITE FAVORED	14 (10)	20 (19)	5 (9)
NO DIFFERENCE	11 (10)	15 (18)	11 (9)
BLACK FAVORED	2 (6)	14 (12)	7 (6)

Number of cases = 1,641

Chi-square = 127; significant at the 0.01 level

Expected frequencies in parentheses (see table 9)

NOTE: (1) Percentages may not total 100 because of rounding.

(2) "Number of cases" is the "adjusted" sample size for which cross-tabulation was performed; see footnote 2 on page 49.

The two indices were cross-tabulated for each of the census regions and for large and small SMSAs. Results consistent with the national findings were obtained; if an auditor was treated favorably as measured by one index, he was more likely (than one would expect) to have been treated favorably as measured by the other. Except for the West (with its small sample size), all the results were statistically significant at the 0.01 level or better.

ITEMS FOR WHICH APPROPRIATE CATEGORICAL ATTRIBUTION WAS DIFFICULT

A number of items on the Sales Audit Report Form could not be readily classified as representative of any particular type of treatment a prospective homebuyer might expect to encounter or could not be readily classified in some logical order of preferred treatment. They are the following:

- whether or not the agent asked an auditor how much money was available for a down payment
- whether or not the agent asked an auditor what type of financing was desired (FHA, VA, conventional)
- whether or not the agent asked if the auditor (or household) planned to sell a house
- whether or not the agent asked for the auditor's address
- whether or not the auditor received a follow-up call from the agent.

A sales agent might reasonably ask a prospective homebuyer the amount of down payment available. It remains unclear, however, whether the question is intended to screen buyers or to elicit some information from the buyer that will satisfy the buyer's needs. If a prospective homebuyer asks to see houses of a specific price, as the auditors in this study did, a request for information about the buyer's available down payment is interpreted as screening buyers. Therefore, this question was included in the category "household information requested" reported on in the next part.

Results of whether or not an agent asked an auditor the type of financing desired are most curious. Some argue that, because blacks have a lower average income than whites, real estate agents may reasonably expect blacks to be more likely to qualify for FHA or VA mortgages than whites and that they therefore would be more likely to ask blacks about the type of financing desired. Assigning this item to "household information requested" partly reflects this view. However, index results for discriminatory treatment as measured by either the aggregate index of household information requested or the aggregate index of service were not materially affected by including or excluding the item.

The third item--whether or not the agent asked an auditor if he planned to sell a house--is especially difficult to classify. It is not at all clear that questioning an auditor regarding his plans to sell a currently owned house is an attempt to provide a service to the auditor or an attempt to determine the assets available for supporting a new purchase. Therefore, this item was excluded from both the aggregate index of service and the aggregate index of household information requested. (Including this item in either aggregate does not significantly affect the outcome for either index.)

The fourth item that was difficult to categorize was whether or not the agent asked an auditor for an address where he could be reached. Although the item appears to be a likely request to provide better service and establish a serious relationship, it can also be argued that asking a homebuyer's address is a method of learning more about that person's qualifications to buy a house. Therefore, this item has been assigned to "household information requested" because it may represent another means by which agents screen prospective homebuyers. (The results reported in "household information requested" are not substantially altered if this item is excluded.) About 35 percent of the white auditors were asked their address, and about 43 percent of the black auditors were asked their address. However, when one auditor's address was requested and the other's was not, a plausible explanation is that the higher frequency observed for blacks (22 percent compared with 15 percent for whites, as noted in table 38) is evidence of screening, not service.

The final item is whether auditors received a follow-up phone call from agents they had contacted. Because auditors were trained not to appear particularly interested in the houses agents suggested for their consideration or in houses they actually inspected, they were not expected to receive follow-up phone calls. Auditors were unlikely to be at home shortly after completing most of their assignments: They were either at work in part- or full-time jobs or conducting other audits. Calls received more than 7 days after initial site visits were not included in the analysis of audit information. Nevertheless, approximately 33 percent

TABLE 38

ITEMS FOR WHICH APPROPRIATE CATEGORICAL ATTRIBUTION WAS DIFFICULT

(Percent)

	NO DIFFERENCE	REQUESTED OF WHITE ONLY	REQUESTED OF BLACK ONLY	NET DIFFERENCE
DOWN PAYMENT CAPABILITY (1,639)	54	19	27	-8***
TYPE OF FINANCING DESIRED (1,641)	64	13	22	-9***
OWNERSHIP OF HOUSE TO BE SOLD (1,640)	64	20	16	4**
REQUEST FOR ADDRESS (1,639)	63	15	22	-7***
FOLLOW-UP PHONE CALL (1,632)	64	18	18	0

NOTE: (1) Percentages in first three columns may not total 100 because of rounding.

(2) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, two asterisks that the difference is statistically significant at the 0.05 level, and no asterisks that the difference is not statistically significant at the 0.10 level or lower.

(3) Numbers in parentheses are the unweighted number of cases; tests of significance were performed on an "adjusted" sample size of equal magnitude. See footnotes on page 49.

(4) For this table, negative differences in the last column should not be interpreted as meaning that differential treatment, on average, favored blacks. See text for explanation of whether being asked a particular question is considered favorable treatment, unfavorable treatment, or neither.

of all auditors received follow-up calls from agents they had visited, with the results indicating that neither race received preferential treatment. Because there is no way of controlling for whether or not auditors were at home during the time sales agents may have attempted to call them, this item is excluded from both "service" and "household information requested."

Results for the five items are presented in table 38. If an agent requested of one auditor but not the other down payment capability, type of financing desired, or an address where the auditor could be reached, he was more likely to have asked the black than the white. The differences are fairly large and can be expected to have occurred by chance less than 1 percent of the time. When only one member of an audit team was asked if he owned a house he planned to sell, whites were asked more frequently than blacks, and the difference in treatment is statistically significant at the 0.05 level. The likelihood that one auditor would receive a follow-up phone call while his teammate did not was no different for both black auditors and white auditors.

HOUSEHOLD INFORMATION REQUESTED

INDIVIDUAL ITEMS

This final sales category reveals the remarkable degree to which real estate agents request information about prospective homebuyers' income, employment, and socioeconomic status. The category includes eight items:

- income
- spouse's income
- debts or other obligations
- occupation
- employer's name
- length of employment
- information about spouse's employment
- references.

Very little is known about the behavior of people actually in the homebuying market; therefore, it is not known whether the generally high frequency with which household information was requested is typical. However, the results show that blacks were much more likely to be asked for certain information than whites. It is reasonably certain that this finding indicates screening of blacks, which is discriminatory, either by intent or in effect.

White auditors were asked their income 14 percent of the time and their spouse's income 21 percent of the time. Blacks were asked their income 35 percent of the time and their spouse's income 37 percent of the time. Fifty percent of the black auditors were asked their occupation; 40 percent of the whites were asked the same question. Blacks were asked something about their spouse's employment 62 percent of the time, whites 52 percent of the time. Thirty percent of the blacks were asked their employer's name, but only 23 percent of the whites were asked this question.

Less frequently, auditors were asked how long they had been working for a particular employer, whether they had any debts or other obligations (e.g., alimony payments), or if they would give references. Blacks were more likely to be asked these questions than whites.

If one of the auditors was asked any of these items while his teammate was not, the question was much more likely to have been asked of the black. Table 39 reports instances in which both auditors were treated no differently and instances in which items were asked of one auditor but not the other. For every item except length of employment, the differences are statistically significant at the 0.01 level or lower, and the differences frequently are substantial.

INDEX OF HOUSEHOLD INFORMATION REQUESTED

The aggregate index of household information requested combines seven of the eight items shown in table 39 plus three items judged difficult to classify: whether an auditor was asked how much money he had available for a down payment, whether an auditor was asked what kind of financing he preferred, and whether an auditor was asked for an address where he could be reached.[1] All the items were combined according to the same criteria used for combining responses about housing availability (see page 123). Table 40 reports the national and regional results.

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[1] The question on references was deleted because very few instances occurred in which one auditor was asked this question while his teammate was not. Deleting this question has virtually no effect on index results. The three items judged difficult to classify were included in the index for the reasons presented in the previous part of this chapter. Excluding these three items does not greatly affect the index results.

TABLE 39

HOUSEHOLD INFORMATION REQUESTED

(Percent)

	NO DIFFERENCE	REQUESTED OF WHITE ONLY	REQUESTED OF BLACK ONLY	NET DIFFERENCE
INCOME (1,642)	66	7	28	-21***
SPOUSE'S INCOME (1,642)	66	9	25	-16***
DEBTS OR OTHER OBLIGATIONS (1,634)	84	6	9	-3***
OCCUPATION (1,641)	57	16	27	-11***
EMPLOYER'S NAME (1,641)	76	9	16	-7***
LENGTH OF EMPLOYMENT (1,641)	86	7	7	0
INFORMATION ABOUT SPOUSE'S EMPLOYMENT (1,642)	60	15	26	-11***
REFERENCES (1,641)	96	1	4	-3***

NOTE: (1) Percentages in first three columns may not total 100 because of rounding.

(2) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, no asterisks that the difference is not statistically significant at the 0.10 level or lower.

(3) Numbers in parentheses are the unweighted number of cases; tests of significance were performed on an "adjusted" sample size of equal magnitude. See footnotes on page 49.

(4) Negative differences in the last column do not imply that blacks were favored, only that agents requested information more frequently of blacks than of whites.

TABLE 40

AGGREGATE INDEX OF DISCRIMINATORY TREATMENT:

HOUSEHOLD INFORMATION REQUESTED

(Percent)

	NO DIFFERENCE	REQUESTED OF BLACK ONLY	REQUESTED OF WHITE ONLY	DISCRIMINATORY TREATMENT
NATIONAL (1,641)	45	35	20	15***
Northeast (469)	37	45	19	26***
North Central (329)	42	34	23	11***
South (790)	51	30	19	11***
West (53)	47	36	17	19**

NOTE: (1) Percentages in first three columns may not total 100 because of rounding.

(2) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, two asterisks that the difference is statistically significant at the 0.05 level.

(3) Tests of significance were performed on "adjusted" sample sizes equal to the number of cases in parentheses; see footnotes on page 49.

As the table indicates, when more household information was requested of one auditor, it was more often the black. Nationally, blacks were asked more household information than their teammates 35 percent of the time, while whites were asked more information only 20 percent of the time; similar discriminatory treatment of auditors occurred in each region. The probability of obtaining the reported outcomes by chance is less than 1 percent for the national sample and for each region except the West, where the probability of obtaining the reported outcome by chance is less than 5 percent. (The Kruskal-Wallis test indicates that regional differences are statistically significant at the 0.05 level.) Furthermore, the difference between instances in which blacks were asked for more household information than those in which whites were asked for more information remains very stable for a large number of combinations or subsets of the 10 items aggregated to construct the index. The index reflects substantial, statistically significant, differential treatment of blacks and whites.

The magnitude of difference is at least as large for this index as for any of the other sales indices. The evidence indicates strongly that sales agents screened auditors extensively and that they were more likely to screen blacks than whites.

Results for large and small SMSAs are again similar to those for previous indices. Blacks were more likely to be asked household information than whites in large SMSAs, but virtually no differential treatment existed in small SMSAs (see table 41), a result consistent with sales market findings for other indices.

TABLE 41

AGGREGATE INDEX OF DISCRIMINATORY TREATMENT:

HOUSEHOLD INFORMATION REQUESTED

(Cases Classified by SMSA Size)

(Percent)

	NO DIFFERENCE	REQUESTED OF BLACK ONLY	REQUESTED OF WHITE ONLY	DISCRIMINATORY TREATMENT
Large SMSAs (1,315)	45	37	18	19***
Small SMSAs (327)	47	27	26	1

NOTE: (1) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, no asterisks that the difference is not statistically significant at the 0.10 level or lower.

(2) Tests of significance were performed on "adjusted" sample sizes equal to the number of cases in parentheses; see footnotes on page 49.

THE RELATIONSHIP BETWEEN THE INDEX OF HOUSEHOLD INFORMATION REQUESTED AND THE INDEX OF HOUSING AVAILABILITY

Table 42 presents the cross-tabulation of the index of household information requested and the index of housing availability. The relationship between the two indices is positive and fairly strong. The probability of observing the reported chi-square by chance is less than 0.01, and the pattern of observed frequencies relative to those expected indicates that if an agent requested more information of one auditor than of his teammate, the agent was also more likely (than expected) to treat the auditor more favorably as measured by the index of housing availability.

Being asked more information than one's teammate may be unfavorable treatment, especially if an agent did not provide a prospective buyer with good service. The cross-tabulation results provide additional evidence that requesting household information is a screening device used by real estate agents, but the relationship between the two indices should be interpreted with care. Asking more information may be an attempt to serve a buyer more effectively, to screen buyers "in" rather than "out."

An agent's request of information from a prospective house buyer whom he does not know is certainly not unexpected. But a distinction can be made between the frequency with which household information is more likely to have been asked of blacks and the relationship between agents' asking information and providing information on available housing. Since both members of an audit team requested identical housing, the higher frequency with which blacks were asked household information is strong evidence that blacks are screened more rigorously than whites. A partial

TABLE 42

CROSS-TABULATION OF THE INDEX OF HOUSEHOLD INFORMATION REQUESTED AND THE INDEX OF HOUSING AVAILABILITY

(Percent)

HOUSING AVAILABILITY	HOUSEHOLD INFORMATION REQUESTED: REQUESTED OF WHITE ONLY	HOUSEHOLD INFORMATION REQUESTED: NO DIFFERENCE	HOUSEHOLD INFORMATION REQUESTED: REQUESTED OF BLACK ONLY
WHITE FAVORED	10 (8)	17 (18)	12 (14)
NO DIFFERENCE	5 (7)	20 (17)	12 (13)
BLACK FAVORED	4 (5)	9 (11)	11 (8)

Number of cases = 1,642

Chi-square = 51; significant at the 0.01 level

Expected frequencies in parentheses (see table 9)

NOTE: (1) Percentages may not total 100 because of rounding.

(2) "Number of cases" is the "adjusted" sample size for which cross-tabulation was performed; see footnote 2 on page 49.

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explanation for this observed result is that many agents may have been unfamiliar with blacks in general, and with black homeseekers in particular.

Agents' unfamiliarity with black homeseekers may explain part of the higher frequency of blacks' being asked household information. But the cross-tabulation results indicate that the more rigorous screening of blacks need not mean that blacks are offered fewer housing choices. For example, the expected frequency of a black auditor's being favored on availability and also asked more information is 8 percent; the observed frequency is 11 percent. Whites who were asked more information--i.e., whites who were screened more rigorously than their teammates--were also more likely (than expected) to have received favorable treatment with respect to housing availability. The expected frequency of a white auditor's being favored on availability and also asked more information is 8 percent; the observed frequency is 10 percent. Rigorous screening may be an attempt by the real estate agent to determine whether a customer is a serious prospect or, at least, can afford housing of the price requested. (The incomes and assets assigned to audit teams were designed to ensure that they were perceived as financially capable of affording a house of the price they requested.)

It remains true that blacks were far more likely to have been asked more household information than were whites who asked for the same housing; this observed systematic differential treatment (as measured by the index) can only be classified as discriminatory. Thus, the observation that many black auditors and many white auditors who were screened more rigorously than their teammates were also treated well with respect to housing availability should not obscure the finding that blacks were much more likely to be screened than whites.[1]

RESULTS FOR AUDITS IN WHICH BOTH AUDITORS SAW THE SAME AGENT

One of the reasons two members of the same audit team may have been treated differently is that teammates may have seen different sales agents. The frequency of two auditors' having seen the same agent is much lower in the sales audit (26 percent) than in the rental audit (57 percent) for two main reasons. First, the amount of time allowed between the teammates' site visits was greater in the sales audit than in the rental audit. Second, there are generally fewer agents in a given apartment building or complex than there are in a given real estate office.

The fact that teammates saw different agents does not imply that observed differences in treatment are justified. A crucial assumption underlying the audit experiment is that rental and sales personnel auditors visited are indeed agents of the firm that employs them. Any differential treatment encountered is attributable to a single entity--the real estate firm or the landlord--and is the responsibility of that entity. This assumption is based firmly on established legal doctrine and common business practice. However, to eliminate some of the nondiscriminatory

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1. More definitive evidence of whether sales agents' screening blacks is discriminatory in intent may be determined once analysis is completed of steering and of the differences in sales effort that may have been accorded auditors.

differences in treatment of auditors due solely to differing personal styles of real estate agents, individual items and indices of discrimination were examined for those cases in which both auditors of a team saw the same agent.

INDIVIDUAL ITEMS

Housing Availability

For four of the six housing availability items, the difference between "white favored" and "black favored" increased substantially when only those cases in which both auditors saw the same agent were analyzed. That is, systematic unfavorable treatment of blacks was greater on these four items: housing availability, other listings offered, invitations to inspect houses, and houses inspected. Results were virtually the same for whether a multiple listing directory was offered an auditor. For houses volunteered, the systematic differential treatment unfavorable to blacks declined; for all cases, the difference between "white favored" and "black favored" was 30 percent and for "same agent" cases 18 percent. These substantial differences in results were unexpected.

Courtesy

Limiting analysis to only those cases in which both auditors saw the same agent generally reduces the observed difference between "white favored" and "black favored" by a few percentage points for each courtesy item. On only one item--whether an auditor waited longer than his teammate before being interviewed--is the difference substantial. For all cases the difference between "white favored" and "black favored" on this item was 10 percent. For "same agent" cases it was -7 percent.

Service

The results for service items change nominally when cases are limited to only those in which teammates saw the same agent.

Household Information Requested

For the majority of items on household information requested, little difference exists between the results observed for all cases and the results when analysis is limited to cases where teammates saw the same agent. On two of the items--down payment and address requested--the difference between "requested of black only" and "requested of white only" increases. On two other items--debts or other obligations and auditor's occupation--the difference decreases.

AGGREGATE INDICES

Deducting the percentage of cases in which blacks were favored from the percentage of cases in which whites were favored adjusts for the randomness that might be expected in the treatment accorded two auditors. Even if perfectly matched auditors saw the same agent, they could not expect to receive exactly the same treatment. Indeed, an agent could not be expected to give exactly the same treatment to one person under two virtually identical circumstances. Therefore, when indices of treatment for cases in which both auditors saw the same agent were constructed, the percentage of cases favoring blacks was again deducted from the percentage of cases favoring whites.

When analysis was limited to cases in which teammates saw the same agent, it was anticipated that differential treatment of teammates would be less random. There was no reason to expect that the level of discrimination would be different, but the results do not support this expectation.

Housing Availability

The index for discriminatory treatment on housing availability for all cases showed that blacks were treated favorably 24 percent of the time, while whites were treated favorably 39 percent of the time, for a difference of 15 percent. When analysis was limited to "same agent" cases, blacks were favored 22 percent of the time and whites were favored 46 percent of the time, for a level of discrimination of 24 percent. Although there is no reasonable explanation for the observed higher level of discriminatory treatment among cases in which both auditors saw the same agent, the finding does indicate that observed differences in the frequencies with which whites and blacks were favored cannot be attributed to teammates' having seen different agents.

The regional results for housing availability also changed. The level of discriminatory treatment increased from 10 to 14 percent for the Northeast and from 11 to 29 percent for the South; the level decreased from 33 percent to 26 percent in the North Central region. Results for the Northeast are statistically significant at the 0.05 level and for the South and North Central regions at the 0.01 level. Few cases were

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observed in the West, and index results are not statistically significant at the 0.10 level or lower.

Courtesy

For the index of courteous treatment, controlling for whether both auditors saw the same agent yielded an interesting result: The frequencies with which blacks and whites were treated favorably when teammates visited the same agent were virtually identical. Whites were treated favorably in 35 percent of the cases, and blacks were treated favorably in 33 percent of the cases. The difference--2 percent--is much lower than that observed for all cases combined--12 percent--and is not statistically significant at the 0.10 level or lower.

Given the results for the availability index, the results for courtesy are somewhat surprising. One reason for the small difference is that a larger percentage of "same agent" cases occurred in small SMSAs than in large SMSAs. Blacks were more likely to be treated favorably on the index of courteous treatment than were whites in audits that took place in small SMSAs. However, it is also true that blacks were less likely to be discriminated against on housing availability in smaller SMSAs. Therefore, it is unclear why among cases limited to those in which teammates saw the same agent, there is both a higher frequency of discrimination with respect to housing availability and virtually no discrimination with respect to courtesy.

Disaggregating the national results by region, discriminatory treatment unfavorable to blacks increased for the Northeast (from 2 percent to

15 percent) and decreased for the North Central region (8 percent to -14 percent) and for the South (19 percent to -1 percent). The results are statistically significant at the 0.05 level for the Northeast, at the 0.10 level for the North Central region, and not statistically significant at the 0.10 level or lower for the South and West. Again, these changes in regional results were unexpected. Regression analysis of audit data will provide better understanding of the factors influencing auditor treatment.

Service

The results for the aggregate measure of service are very similar to results reported for all cases. The difference between the frequency with which blacks were favored--25 percent--and that in which whites were favored--31 percent--is higher than the 3 percent observed before and, again, is statistically significant at the 0.10 level. Regional index results changed very little, except for the South, where blacks were favored more often than whites, and the difference (10 percent) is significant at the 0.05 level.

Household Information Requested

Both national and regional results on this index are very similar to results reported for all cases. Blacks were much more likely than whites to have been asked more household information. For the nation the difference between "requested of black only" and "requested of white only" is 15 percent and is significant at the 0.01 level, a result identical to that observed for all cases. The differences for the Northeast, North Central region, and South are 24 percent, 16 percent, and 10 percent, respectively, and are significant at levels of 0.10 or lower.

The levels of discriminatory treatment reported for those instances in which teammates visited the same agent are not dramatically different from the levels reported for all cases, but, when they are different, the levels are actually higher for all indices except courtesy. Therefore, systematic differences in the treatment accorded auditors do not seem to be the result of teammates' having seen different agents.

ALTERNATIVE INDICES OF DISCRIMINATORY TREATMENT

A major reason for employing an alternative means of aggregating responses to individual items is to test the appropriateness of classifying ambiguous cases as equivalent to cases in which audit teammates were treated no differently. Ambiguous cases--i.e., instances in which both audit teammates were favored on at least one item used to construct an index--were much more prevalent in the sales audit than in the rental audit.[1] Therefore, the results of alternative aggregation are reported for each of the sales categories: housing availability, courtesy, service, and household information requested.

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[1] Ambiguous cases were more prevalent in the sales market than in the rental market for three reasons. First, audit teammates were much more likely to have seen different agents in the sales market. Second, buying a house is a lengthier and more complex process than renting an apartment. Third, the incentive structures differ for sales and rental agents; black homebuyers may be systematically accorded differential treatment but may still be given service because agents derive their incomes from sales commissions.

Table 43 presents national and regional results for the alternative index of housing availability. Cases in which the white auditor was treated favorably on more housing availability items than his teammate are classified "white favored." Cases in which the black auditor was treated favorably on more items than his teammate are classified "black favored." Cases in which both auditors were treated no differently and cases in which both auditors were favored on the same number of items are classified "no difference."

The difference between "white favored" and "black favored" is 18 percent for the national sample, which is slightly higher than the 15 percent reported earlier (see table 26). Higher results occurred for each region, and the results are statistically significant at the 0.01 level for the nation and for all regions except the West.

The higher levels of discrimination reported in table 43 indicate that of cases previously classified ambiguous, whites were treated favorably on more items than their black teammates. That is, in cases where both auditors were favored on at least one item used to construct the index, whites were favored on more items, on average, than blacks.

Table 44 presents results for all four sales indices of discriminatory treatment when the alternative aggregation technique is used. Entries on the table represent the differences between "white favored" and "black favored." The results show that the levels of discriminatory treatment reported earlier in this chapter are relatively insensitive to this alternative treatment of ambiguous cases.

TABLE 43

ALTERNATIVE INDEX OF DISCRIMINATORY TREATMENT:

HOUSING AVAILABILITY

(Percent)

	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
NATIONAL	24	47	29	18***
Northeast	19	48	33	15***
North Central	13	61	26	35***
South	32	40	28	12***
West	18	49	33	16

NOTE: Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, no asterisks that the difference is not statistically significant at the 0.10 level or lower.

TABLE 44

ALTERNATIVE INDICES OF DISCRIMINATORY TREATMENT: DIFFERENCE BETWEEN "WHITE FAVORED" AND "BLACK FAVORED"

(Percent)

	HOUSING AVAILABILITY	COURTESY	SERVICE	HOUSEHOLD INFORMATION REQUESTED
NATIONAL	18***	12***	4**	25***
Northeast	15***	3	0	28***
North Central	35***	9*	0	9**
South	12***	20***	7**	32***
West	16	11	27*	21**

NOTE: (1) The entries for "household information requested" are the differences between the percentage of cases in which more information was requested of the black minus the percentage of cases in which more information was requested of the white.

(2) Three asterisks indicate that the difference (i.e., percentage "white favored" minus percentage "black favored") is statistically significant at the 0.01 level, two asterisks that it is statistically significant at the 0.05 level, one asterisk that it is statistically significant at the 0.10 level, and no asterisks that it is not statistically significant at the 0.10 level or lower.

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LIMITATIONS

Most of the limitations presented in chapters 1 and 2 regarding the study and the findings in this report apply equally to the sales market. However, several comments pertain exclusively to the sales results.

First, buying a house is a much more complex procedure than renting an apartment, and in this study far less of the buying process was examined than of the renting process. The complexity of the sales market means that many opportunities exist for discriminatory treatment in the buying process, some of which were not examined at all (e.g., the treatment of prospective buyers who indicate definite interest in a particular house), and some of which are to be examined but are not reported here (e.g., steering and the degree of sales effort accorded auditors).

Second, real estate agents earn their incomes from commissions. Prospective black buyers may receive systematically different treatment or service than whites but may still receive service. This complicates the assessment of audit results, because it is difficult to classify differential service between audit teammates as discriminatory.

The principal implication of these two points is that the reader should not conclude that discrimination in the sales market is either less or more prevalent than discrimination in the rental market. Simple comparison of the relative levels of discrimination in sales and rental markets based on results presented in this report is unwarranted. Also, the complexity of the sales market and the study's limited exploration of the homebuying process imply that less importance can be placed on the results of the index of housing availability for the sales market than on the results of the index of housing availability for the rental market.

Finally, the audit project was a carefully designed "controlled experiment." Rental auditors requested an apartment of a given size, which probably closely approximates the type of request made by most prospective renters. However, for a variety of reasons, sales auditors requested housing by price, size, and neighborhood. Although these procedures ensured that differential treatment of teammates on individual items could be carefully measured, the procedures may also have artificially reduced the estimates of differential treatment accorded blacks and whites actually in the sales market. By specifying a price, size, and neighborhood, auditors probably narrowed the range of responses from agents.[1] Auditors were carefully trained and were also likely to have appeared knowledgeable about buying a house. Thus, the levels of discrimination reported for the sales market generally depend much more on, and are therefore sensitive to, project design requirements than those reported for the rental market.

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[1] Requesting houses by neighborhood was a difficult design decision, since racial steering may occur more frequently if a prospective buyer does not request a particular neighborhood. However, the design team decided that evidence of differential treatment would be much stronger if audit teams presented very specific requests.

CHAPTER 4

GEOGRAPHIC VARIATION IN THE LEVEL OF DISCRIMINATION: SITE-BY-SITE RESULTS

Chapters 2 and 3 presented audit results for census regions, large and small SMSAs, and the nation. This chapter presents results by housing market area, which for this study is the SMSA.

The chapter is divided into two parts. The first part reports discriminatory behavior as measured by the housing availability indices for the sales and rental markets for each of the 40 SMSAs. The second part compares site-by-site rental and sales results with each other and with indices of segregation to assess how discrimination and segregation may be related. The change in focus from national and regional results to site results is a logical progression in data analysis because it is a move from observing the forms and level of discrimination to explaining their differences. This report does not try to explain why observed differences in the level of discrimination exist. That task is left for subsequent analysis and reporting. It does, however, present observed levels and estimates of the actual levels of discrimination by site.

DISCRIMINATION BY SITE

Two of the most difficult decisions during project design were how many sites and how many audits per site were necessary to fulfill the study's objectives. Since it was decided very early that both sales and rental markets were to be audited, the total number of audits was roughly half as many as would be possible if only sales or rental audits were performed. Given the study's multiple objectives, the limited resources available, and the considerable expense of data collection, resolving these sampling issues was especially troublesome. There was always a trade-off: To estimate cross-sectional relationships between demographic and program variables and the level of discrimination required a sufficiently large number of audit sites; to develop precise metropolitan area estimates of the level of discrimination required a sufficiently large number of tests within each area.

The initial analysis of results indicates that with as few as 30 (and occasionally fewer than 30) audits per site, the statistical estimates of the level of discrimination per site cannot be determined precisely. The small sample sizes affect the fulfillment of the study's objectives in two ways. First, cross-sectional analysis may be affected if the level of discrimination attributed to a site is not measured accurately. Second, comparing sites with respect to the probability that a black may encounter discrimination depends on the confidence one can place on the estimates for each site. Thus, small sample sizes affect the degree to which sites can be accurately compared and affect the degree to which the relationship between discrimination levels and other phenomena can be assessed.[1]

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[1] Varying degrees of confidence in site-by-site estimates of the level of discrimination is not a serious deficiency in the multiple regression analysis to be done during the next phase of the data analysis because the individual test will be the unit of observation. That analysis will attempt to explain why audit teammates were treated differently or no differently.

The problem of small sample sizes is evident from tables 45 and 46, which present the site-by-site results for the indices of housing availability for the rental and sales markets, respectively. As one would expect, the tables indicate that the observed levels of discrimination vary more among sites than among regions. However, as is readily apparent from the number of sites for which the results are not statistically significant, it would be very misleading to simply rank sites by the percentages noted in the last column. To adjust for differences in the confidence with which the site-by-site results can be taken, estimates were made to assess how accurately the observed levels of discrimination for each site were likely to reflect the actual levels of discrimination. That is, an effort was made to determine how confident one can be that the level of discrimination reported for a site is the true level of discrimination for that site.

Tables 47 and 48 report confidence intervals for the observed level of discrimination for the rental and sales markets. The scales on the horizontal axes of the tables range above and below zero. (Negative values would result if reverse discrimination occurred, that is, if blacks were favored, on average, over whites.) For each site, the difference derived by subtracting the percentage of cases in which the black was favored from the percentage of cases in which the white was favored is noted by placing a dot (●) along the horizontal axis. The differences marked by the dot are the same as those given in tables 45 and 46. For example, in both table 46 and table 48, the observed level of discrimination for Savannah is 30 percent.

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TABLE 45

RENTAL MARKET INDEX OF HOUSING AVAILABILITY

(Percent)

SMSA	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
Akron, OH (26)	27	50	23	27*
Albany-Schenectady-Troy, NY (30)	47	20	33	-13
Asheville, NC (29)	41	41	17	24*
Atlanta, GA (119)	27	45	29	16**
Boston, MA (110)	32	46	22	24***
Canton, OH (29)	35	52	14	38***
Cincinnati, OH-KY-IN (29)	31	48	21	27*
Columbus, OH (29)	24	52	24	28*
Dallas, TX (114)	36	40	24	16**
Dayton, OH (29)	31	55	14	41***
Detroit, MI (30)	23	67	10	57***
Fort Lauderdale-Hollywood, FL (28)	29	54	18	36**
Fort Wayne, IN (30)	23	53	23	30**
Fort Worth, TX (28)	32	46	21	25*
Greenville, SC (30)	40	37	23	14
Harrisburg, PA (28)	14	46	39	7
Hartford, CT (30)	43	40	17	23*
Indianapolis, IN (28)	21	64	14	50***
Lawton, OK (30)	40	40	20	20
Lexington, KY (30)	30	47	23	24*
Los Angeles-Long Beach, CA (30)	20	63	17	46***
Louisville, KY-IN (30)	50	40	10	30**
Macon, GA (30)	37	50	13	37***
Milwaukee, WI (108)	51	32	18	14**
Monroe, LA (29)	28	62	10	52***
Nashville-Davidson, TN (29)	21	59	21	38**
New York, NY (29)	35	45	21	24*
Oklahoma City, OK (30)	30	47	23	24*
Paterson-Clifton-Passaic, NJ (29)	21	38	41	-3
Peoria, IL (30)	50	40	10	30**
Sacramento, CA (118)	48	34	19	15**
Saginaw, MI (30)	27	50	23	27*
San Bernardino-Riverside-Ontario, CA (29)	31	59	10	49***
Savannah, GA (15)	27	47	27	20
Springfield-Chicopee-Holyoke, MA-CT (29)	35	59	7	52***
Stockton, CA (28)	32	46	21	25*
Tampa-St. Petersburg, FL (30)	30	53	17	36**
Tulsa, OK (30)	47	47	7	40***
Vallejo-Napa, CA (29)	28	62	10	52***
York, PA (29)	31	52	17	35**

NOTE: Numbers in parentheses are the number of observations; tests of significance were performed on unweighted, unadjusted data. See footnotes on page 49.

TABLE 46

SALES MARKET INDEX OF HOUSING AVAILABILITY

(Percent)

SMSA	NO DIFFERENCE	WHITE FAVORED	BLACK FAVORED	DISCRIMINATORY TREATMENT
Akron, OH (40)	33	50	18	32**
Albany-Schenectady-Troy, NY (30)	47	30	23	7
Asheville, NC (28)	21	57	21	36**
Atlanta, GA (78)	27	42	31	11
Boston, MA (73)	25	43	33	10
Canton, OH (30)	17	57	27	30*
Cincinnati, OH-KY-IN (48)	21	65	15	50***
Columbus, OH (40)	23	63	15	48***
Dallas, TX (80)	25	41	34	7
Dayton, OH (43)	35	40	26	14
Detroit, MI (51)	14	64	22	42***
Fort Lauderdale-Hollywood, FL (45)	33	46	21	25**
Fort Wayne, IN (25)	31	23	47	-24
Fort Worth, TX (29)	35	52	14	38***
Greenville, SC (30)	37	33	30	3
Harrisburg, PA (30)	23	40	37	3
Hartford, CT (30)	27	37	37	0
Indianapolis, IN (50)	26	54	20	34***
Lawton, OK (30)	22	31	48	-17
Lexington, KY (30)	27	57	17	40***
Los Angeles-Long Beach, CA (50)	40	42	18	24**
Louisville, KY-IN (39)	21	46	33	13
Macon, GA (45)	24	49	27	22*
Milwaukee, WI (80)	28	53	20	33***
Monroe, LA (29)	24	45	31	14
Nashville-Davidson, TN (39)	66	23	10	13
New York, NY (50)	38	50	12	38***
Oklahoma City, OK (29)	38	31	31	0
Paterson-Clifton-Passaic, NJ (30)	20	53	27	26*
Peoria, IL (30)	33	33	33	0
Sacramento, CA (79)	34	38	28	10
Saginaw, MI (30)	37	33	30	3
San Bernardino-Riverside-Ontario, CA (50)	17	38	45	-7
Savannah, GA (30)	37	47	17	30**
Springfield-Chicopee-Holyoke, MA-CT (30)	30	20	50	-30**
Stockton, CA (30)	47	23	30	-7
Tampa-St. Petersburg, FL (44)	44	34	22	12
Tulsa, OK (29)	28	52	21	31**
Vallejo-Napa, CA (29)	27	44	29	15
York, PA (29)	45	45	10	35**

NOTE: Numbers in parentheses are the number of observations; tests of significance were performed on unweighted, unadjusted data. See footnotes on page 49.

TABLE 47

CONFIDENCE INTERVALS FOR SITE-BY-SITE RENTAL RESULTS: HOUSING AVAILABILITY

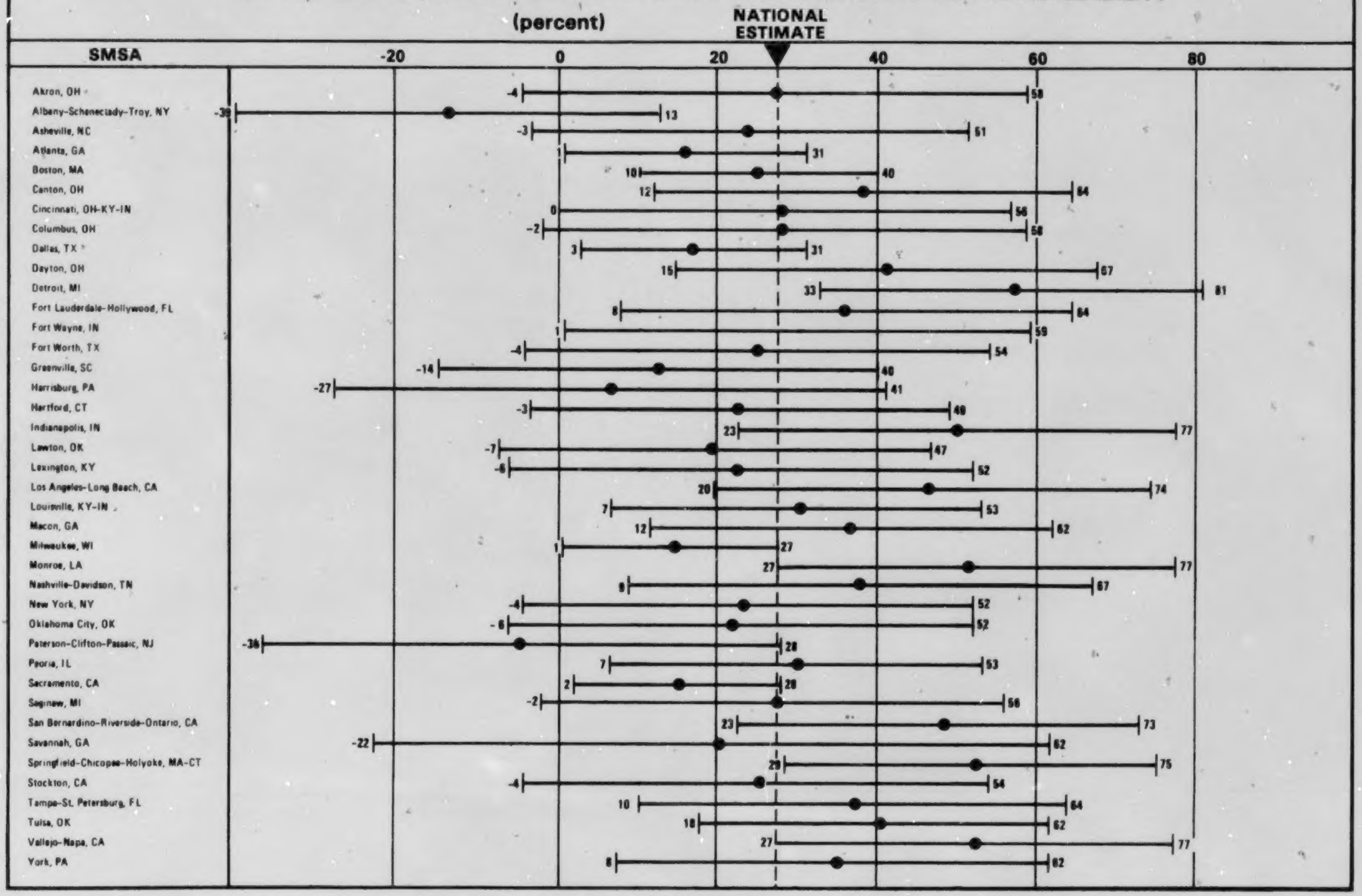

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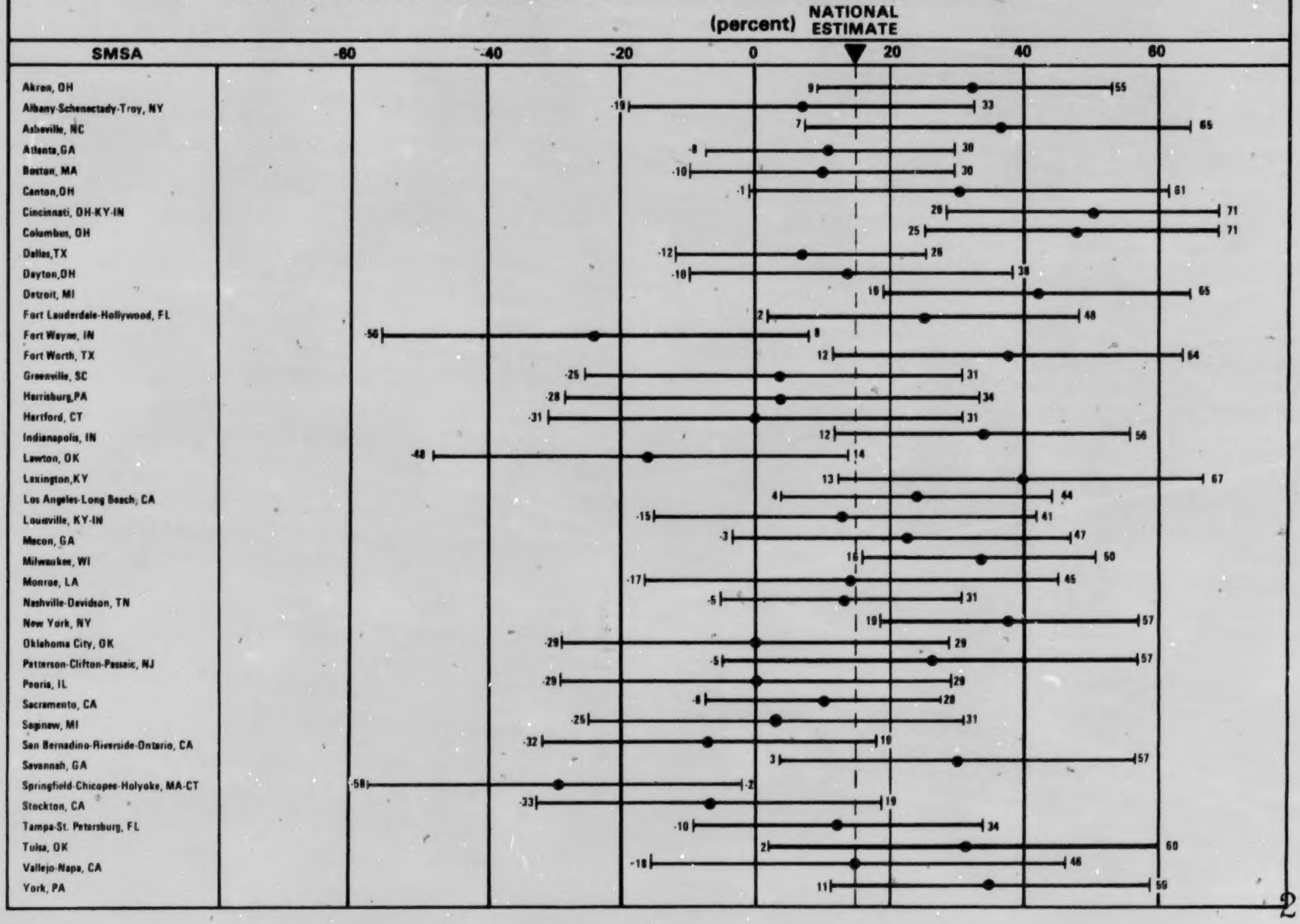
TABLE 48
CONFIDENCE INTERVALS FOR SITE-BY-SITE SALES RESULTS: HOUSING AVAILABILITY



For each site an interval was constructed around the observed level of discrimination; the interval gives the range of probable values for the true level of discrimination given the instances in which auditors were treated no differently and the instances in which either the black or the white was favored and given the sample size for the site. The intervals were constructed so that the probability that the true level of discrimination for a site falls within the interval noted is 95 percent, given the observed treatment and the size of the sample.[1] In table 48 the observed level of discrimination in Savannah was 30 percent. The sample size for Savannah was 30. Because this is a relatively small sample and because a fairly large number of instances occurred in which both auditors were treated no differently (37 percent), the true level of discrimination may vary considerably from the observed level of discrimination. The actual level of discrimination, given that the observed treatment of auditors is only an estimate, could be between 3 percent and 57 percent, as noted by the bar to either side of the dot, which is the observed level of discrimination for Savannah.

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[1] It is conventional in statistical analysis to decide upon a particular "confidence level"; the 95 percent level is frequently used. A careful reading of tables 47 and 48 indicates that only in those sites whose intervals do not overlap zero can we be confident (95 percent of the time) that discrimination actually exists as measured by the housing availability indices. Were one to choose a lower confidence level (say, 90 percent or even lower), the number of sites whose intervals did not overlap zero would increase. Therefore, the number of sites for which one could confidently say discrimination existed would also increase. The acceptance of survey results that measure behavior (or anything else) based on samples is increased if the estimates are presented at high confidence levels (or, conversely, if low levels by which to report findings as being "statistically significant" are decided upon).

The importance of the confidence intervals cannot be overemphasized. Readers may be tempted to compare sites by ranking them according to the level of discrimination observed. However, the confidence intervals show that this procedure is, at best, difficult. For example, in table 46, the level of discrimination reported for Lexington (40 percent) is almost twice the estimated level of discrimination for Macon (22 percent). However, the confidence intervals reported in table 48 indicate that the actual level of discrimination for Macon may range between -3 percent and 47 percent, which overlaps the estimated level of discrimination for Lexington (40 percent). Since the interval for Macon overlaps the estimate for Lexington, it is possible that the actual levels of discrimination may be the same.

As tables 47 and 48 show, the intervals for many sites overlap the reported level of discrimination for other sites. If the estimated level of discrimination of one site is higher than any point within the confidence interval of another site, then blacks are more likely to be discriminated against in the first site than in the second site. For example, in table 48 the estimated levels of discrimination for Asheville and for Atlanta are 36 percent and 11 percent, respectively. The confidence interval for Atlanta is -8 percent to 30 percent, and any point within the interval is less than the observed level of discrimination for Asheville (36 percent). Therefore, one can safely say that the true level of discrimination in Asheville is greater than the true level of discrimination in Atlanta. But one cannot say confidently that the level of discrimination in Asheville is 3 times the level of discrimination in Atlanta.

Confidence intervals caution the reader that comparing results by site is complex. The term itself serves as a reminder that the reported levels of discrimination are estimates. Generally, the larger the sample size, the more accurate the estimate and the smaller the confidence interval. For these reasons, the site-by-site results should be used with caution, keeping in mind that the overall levels of discrimination reported for the nation and for census regions are not subject to the problems inherent in estimates for metropolitan areas, which are based on much smaller sample sizes. (For example, the true levels of discrimination for the nation are estimated to differ by no more than 4 percent from the observed levels of 27 percent for the rental market and 15 percent for the sales market.)

The reader should remember two other issues when interpreting site-by-site results. First, the results presented for sites are of the measures of availability only. Discriminatory practices may vary not only by region, but also by SMSA. Differing practices may mean that a particular site may exhibit low levels of discrimination on one index but high levels on another. (This point is discussed more fully in the next chapter.)

Second, aggregating responses on individual items to construct an index obscures information. For example, identical index results may not reflect the seriousness of the discrimination auditors may have encountered; individual items used to construct an index are not weighted

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by their likely importance in obtaining housing. If two tests reveal that the white auditor was favored on one item and the black auditor was not favored on any item, both tests would be counted as favoring the white. However, in one test the white may have been told an apartment was immediately available while the black was told nothing was available. In the second test, the white may have been told that two apartments were available while the black was told only one was available. Both tests would have been counted on the availability index as favoring the white auditor, but the differential treatment in the first test may be more serious than that in the second. Such "masking" of information is inevitable whenever aggregation occurs. Identical indices for two sites give no indication of whether the differential treatment that occurred in both sites was on the same subset of items included in the index.

USES FOR ESTIMATES OF DISCRIMINATION LEVELS BY SMSA

One reason for deriving estimates of the level of discrimination in each SMSA, even with limited observations in many sites, is to compare the observed level of discrimination with other phenomena related to discrimination in housing. This section investigates the relationship between measured discrimination in the rental housing market and measured discrimination in the sales housing market, and between measured discrimination in the rental and sales housing markets and a well known index of segregation.

COMPARISON OF DISCRIMINATION IN RENTAL AND SALES MARKETS BY SMSA

The first relationship to be investigated is that between discrimination in the rental housing market and discrimination in the sales housing market. Since many factors can influence the level of discrimination observed and these factors can differ across markets within the same SMSA, there are no presumptions about the sign or strength of the relationship to be investigated.

In chapter 2, four of the five availability items were combined to derive an aggregate index of housing availability for the rental housing market; in chapter 3, four of the six availability items were combined to derive an aggregate index of housing availability for the sales housing market. The site-by-site results in the first part of this chapter were used to test the hypothesis that high levels of discrimination in the sales market are associated with high levels of discrimination in the rental market.

The Pearson correlation coefficient gives the strength of the relationship between differential treatment on housing availability in the rental and sales housing markets. The observed correlation coefficient was 0.05 and indicates a positive but very weak relationship between measured discrimination in the rental and sales housing markets. The coefficient indicates that the correlation between the two indices is not statistically significant at the 0.10 level or lower. Thus, it does not appear that high levels of discrimination in the sales market are necessarily associated with high levels of discrimination in the rental market. The regression analysis of audit data to be performed in the next stage of HUD's analysis will examine the probable causes of discrimination in the sales and rental markets.

THE RELATIONSHIP BETWEEN SEGREGATION AND DISCRIMINATION

Racial residential segregation and racial housing discrimination continue to be major features of American society. Racial residential segregation is a measure of the physical separation of the residential locations of different races. Racial housing discrimination, on the other hand, is behavior that denies homeseekers who are members of a racial group access to housing opportunities, even if their socioeconomic status would otherwise allow them to rent or buy the housing they seek.

Racial residential segregation and racial housing discrimination impose tremendous costs on racial minorities. Price discrimination against blacks and exclusion of blacks are powerful forces in explaining the racial characteristics of cities. The empirical evidence is fairly strong that blacks frequently pay more than whites for equivalent housing, whether in the same market or across separate markets. The evidence is also fairly strong that blacks own houses at a lower rate than whites and that blacks consume less housing than whites, holding constant all characteristics other than race. Residential segregation and housing discrimination impose additional costs on blacks in terms of reduced job opportunities, increased transportation costs, higher consumer prices, and inadequate public services.

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Thus, this section investigates whether racial residential segregation is a proxy for racial housing discrimination. The Taeuber index of residential segregation is available for 26 audit sites.[1] The site-by-site results for the indices of housing availability are used to test the hypothesis that measured discrimination in the rental or sales housing market is related to the Taeuber index of residential segregation. The correlations are reported below.

		INDEX OF HOUSING AVAILABILITY	
		Rental	Sales
TAEUBER INDEX OF SEGREGATION	1960	.21	.06
	1970	.29	.07
	1960-1970*	.29	.05

*Change in measured segregation between 1960 and 1970

The Pearson correlation coefficient indicates that there is a weak, positive correlation between measured indices of discrimination and the Taeuber indices of segregation. None of the correlations are significantly different from zero at the 0.10 level or better.

These results are the first that attempt to measure the relationship between housing segregation and housing discrimination. This approach has several limitations. First, the Taeuber results are for central cities of

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[1] See Sorenson, Taeuber, and Hollingsworth, "Indexes of Racial Residential Segregation for 109 Cities in the United States, 1940 to 1970," Sociological Focus, vol. 8, no. 2 (April 1975), pp. 125-42.

SMSAs, while the indices of housing availability for the rental and sales housing markets are for the entire SMSA. Second, 26 observations may be too small a sample size to conclude that the indices are weakly correlated or that segregation indices are not good proxies for the level of discrimination in a housing market.

Third, the comparison is between segregation indices constructed for 1960 and 1970 and discrimination indices constructed from 1977 data. A more relevant comparison would be to correlate 1977 discrimination indices with an index of the change in segregation from 1970 to 1980, something that will not be possible until 1980 census data become available. The magnitude of fair housing enforcement efforts increased significantly in the 1970s, and segregation indices for 1970 and earlier do not reflect the impact that these efforts may have had on the degree to which blacks and whites live in proximity to one another. Finally, further refinement both of discrimination indices and of segregation indices may result in a higher correlation between the two types of indices. Future HUD research will address this issue in greater detail.

CHAPTER 5

INTERPRETING THE RESULTS: SUMMARY AND CONCLUSIONS

This chapter provides a framework for interpreting findings presented in the three preceding chapters. It presents general limitations of the study (some of which have not been previously mentioned), a more detailed rationale for selecting the measures of racial discrimination reported, and the authors' perspective on the importance of the numbers reported and their implications for policy. In addition, the chapter outlines the direction of future analysis of project data, emphasizing that this report is the first in a series of products anticipated to stem from the project.

GENERAL LIMITATIONS

The estimates in this report may vary from the actual levels and forms of discrimination for many reasons.[1] First, the selection of audit sites was from SMSAs with particular characteristics. The audit results estimate discrimination only in the 117 SMSAs from which sites were selected. Second, the audit was designed to simulate housing search experiences, based on reasonable assumptions about how people search for housing. Little is known about most such experiences, however, and, to the extent that the audit does not simulate the true search behavior of housing seekers, the estimated probabilities of encountering discrimination may vary from actual probabilities.

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[1] The preceding chapters included several caveats about generalizing the reported findings. This section emphasizes a few of the more important limitations.

Third, rental complexes and real estate offices were selected from newspaper advertisements. To the extent that actual housing seekers use other means by which to inquire about housing opportunities, and to the extent that blacks and whites may differentially use newspapers as sources, the results may vary from discrimination measured by other means. The use of newspaper advertisements from which to select rental and real estate offices may affect the inferences to be drawn from the study in four other ways:

1. Advertisers may differ considerably from nonadvertisers in their tendency to discriminate. If it is true, as many people suspect, that nonadvertisers are more likely to discriminate, the reported results underestimate the amount of racial discrimination.

2. The sample from newspapers excluded a great many types of rental and some sales properties--e.g., two- and three-family houses with rental units, houses for rent, houses for sale at $100,000 or more. The exclusion criteria were adopted to simplify audit procedures. However, the exclusions may have had considerable--if indeterminant--effect on the estimates of discrimination.

3. To derive metropolitan-wide estimates of discrimination, no part of a metropolitan area (within SMSA boundaries) was precluded from being audited. However, the economic circumstances of many actual housing seekers, whites as well as blacks, constrain them to portions of housing markets. Just as discrimination varies by region and by site, it is likely to vary by submarket. (This question will be examined in the next phase of HUD's analysis.) Again, the estimated discrimination levels reported should not be interpreted as equivalent to those faced by people who are actually searching for housing.

4. The use of newspapers, the exclusion criteria, and the weighting of some rental advertisements to reflect the likelihood of greater vacancies in larger apartment complexes have several major implications that cannot be fully explored until the regression analysis of audit data is performed. However, the sales audits were of the existing housing market (i.e., resales) almost exclusively, while the exclusion and weighting criteria

> for the rental audits probably bias the sample toward larger, newer rental buildings and complexes. It also appears that a disproportionate number of both sales and rental tests occurred outside the central cities of many of the SMSAs audited.

Another general limitation of the procedures used during the study is that the entire audit process required a fairly sophisticated group of auditors and audit supervisors. The education and other socioeconomic characteristics of auditors exceeded the education and other socioeconomic characteristics of the general population and of most black homeseekers. Auditors had to be relatively well trained and reasonably well educated to play the roles they were required to play and to complete the complex audit report forms. The result is that auditors were likely to have been--and certainly appeared--middle class. In conjunction with the sampling procedures employed, the net result is that audit findings are likely to indicate discrimination in subsections of the SMSAs surveyed and to reflect discrimination against a limited socioeconomic spectrum of black households. (Again, information about how the characteristics of auditors and of the offices and areas in which audits were conducted may affect discrimination will be explored in the regression analysis.)

GENERAL COMMENTS ON THE ANALYSIS AND REPORTED FINDINGS

The initial findings presented in the three preceding chapters focused on the level and forms of discrimination auditors encountered. The approach followed during this first phase of data analysis has deliberately been conservative. Wherever the authors doubted how to interpret individual items or the results of the data analysis, they selected the alternative that appeared least likely to exaggerate the extent of the problem.[1] Despite this conservative approach, large and statistically significant differences in treatment of black and white auditors were observed.

The basic analytic technique used for this report is simple: For both individual items and aggregate items the treatment accorded one auditor was compared to the treatment accorded his teammate, and the case was classified either as having favored one auditor or neither auditor. This approach does not consider the degree of differential treatment that may have been accorded two teammates. That is, differential treatment was not scaled by how "serious" or "odious" it may have been to the auditors, with the exception that emphasizing the housing availability indices of discriminatory treatment relative to other indices means that these indices were assumed more important than other indices.

A major decision regarding treatment of ambiguous cases significantly lowered the estimates of discriminatory treatment in the sales market. Several alternatives can be used to treat cases in which both auditors were treated favorably on at least one of the individual items used to construct the indices. One alternative is to exclude these ambiguous cases from the cases used to construct indices and cross-tabulate them. This approach was used for the preliminary findings released in April

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[1] This does not mean that attempts were made to underestimate levels of discrimination deliberately. The techniques selected were chosen because the authors believed they would provide the most useful and accurate description of housing discrimination. The authors made conservative choices whenever they believed that none of the alternatives were clearly superior on analytical grounds.

1978. It assumes that the excluded cases are distributed among "white favored," "black favored," and "no difference" in the same proportion as the included cases.

Another alternative is to decide whether a case in which both auditors were treated favorably on at least one item was actually more favorable to one or the other auditor. This alternative would have required ranking individual items in an index in some order of importance, a strategy that generally was avoided (but which will be explored in great detail in continuing analysis of audit data).

The procedure eventually adopted, which is consistent with the conservative analytic strategy adopted for this report, was to treat ambiguous cases as cases that favored neither auditor, that is, to classify them as instances of "no difference." The result for the sales market (for which large numbers of cases were ambiguous) was to lower the index estimates of discriminatory treatment below those reported in April 1978. For example, the sales index of housing availability indicates discrimination of 15 percent. Had ambiguous cases been excluded from the index calculations, the level of discrimination would be 22 percent.[1] The figures for other indices are affected similarly.

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[1] Initial study findings released in April 1978 reported discriminatory levels different from the ones contained in this report for two major reasons. First, this report treats ambiguous cases as cases where the treatment was no different, while the April 1978 announcement was based on indices that excluded ambiguous cases. Second, the individual items aggregated to construct index measures and the categories of treatment defining indices differ from those released in the early report.

This report does not examine all of the differential treatment that may have been accorded black auditors and white auditors. First, some of the audit material specific to apartments and houses has not been analyzed, primarily because some coding problems were encountered on the computer tape that is being analyzed. These problems have been rectified and analysis on information specific to particular housing has begun. This analysis will include an attempt to examine racial steering in the sales market. A significant amount of discriminatory treatment in the sales market may be in the form of steering, and the levels of discrimination presented in this report may therefore be underestimates.[1]

The aggregation of items to construct indices was used to facilitate the interpretation and presentation of study findings. Items that seemed naturally related to one another (e.g., courtesies, service items) were grouped together, and results were presented for several categories in both the rental and sales markets. However, the responses to particular items contained on the audit report forms that are aggregated and reported here could be aggregated in different ways or not aggregated at all. Some alternative indices of discrimination were presented earlier, but not all means of using the data to determine the nature and extent of discrimination have been explored. Some have been explored but are not reported; other alternatives will be explored in the continuing analysis of audit data. The aggregation technique employed for this report was used because it appeared intuitively reasonable and a relatively simple way to report the treatment of auditors on a very large number of items. Alternative techniques would almost inevitably show different levels of discrimination but would just as inevitably show substantial racial discrimination.

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[1] It is unknown whether conclusive evidence of systematic racial steering can be easily derived from the audit data. A high percentage of audits were apparently conducted in census tracts with predominantly white populations, reflecting the neighborhoods requested by auditors. Auditors' requests reflected the neighborhoods advertised in the newspapers from which a sample of real estate firms was selected for auditing.

INTERPRETING THE NUMBERS

A recent review of the literature on racial discrimination and segregation in American housing markets[1] emphasized an important point about the relationships between discrimination and segregation: The racial segregation existing in our society cannot be completely accounted for by factors other than discrimination such as differences in income and wealth by race. This project represents the first systematic attempt to quantify the nature and extent of racial discrimination in American housing markets. By whatever criteria one uses to analyze the data collected during this study, it is clear that discrimination is extensive and pervades metropolitan areas throughout the country.

One question this study cannot answer is whether the nature and extent of racial discrimination have changed over time. However, a body of data has been gathered that can provide a baseline for future research on changes in racial discrimination. A related question this report cannot answer is whether the levels of discrimination auditors encountered are encouraging or discouraging. Civil rights legislation--particularly the 1866 Civil Rights Act and Title VIII of the Civil Rights Act of 1968--prohibits differential treatment of black housing seekers and white housing seekers if that differential treatment is solely the result of the housing seeker's race. This study found considerable differential treatment of auditors, both for individual items and for categories of items. A large amount of differential treatment is random and can be explained by auditors' having seen different agents or because agents act differently in two situations that are identical in virtually all aspects. Despite allowances made for nondiscriminatory differential treatment, however, black auditors, on average, were systematically treated less favorably regarding housing availability, treated less courteously, and were asked more information than were whites. In very few instances were blacks systematically favored.

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[1] John Yinger, George Galster, Barton Smith, and Fred Eggers, The Status of Research into Racial Discrimination and Segregation in American Housing Markets: A Research Agenda for the Department of Housing and Urban Development (Washington, D.C.: Department of Housing and Urban Development, in press).

With respect to housing availability, for example--the most important of the discrimination indices reported--discrimination in the rental market was 27 percent and in the sales market 15 percent. Virtually all other indices exhibited, for the most part, smaller but still statistically significant differences unfavorable to blacks. With respect to individual items, blacks were also more likely to have been systematically discriminated against. The law prohibits differential treatment based solely on race, but the audit has clearly shown that racial discrimination has not been eliminated.

What can be said about the magnitude of the problem of racial discrimination? Four points should be kept in mind.

1. There is a key distinction between the level of discrimination and the effect it may have on black housing seekers. The probability of encountering discrimination in a housing search involving visits to more than one real estate firm or apartment complex increases with the number of visits. If a black were to visit four apartment complexes or four real estate firms, the probability of encountering discrimination would be 72 percent and 48 percent, respectively, for the rental and sales markets. Thus, while the reported levels of discrimination in the rental and sales markets examined in this study may appear to some readers as not being very high, the cumulative effect on the housing search behavior of blacks may be considerable. This potential cumulative effect has important consequences not only on whether blacks can be equal participants in housing markets but also on whether blacks can be equal participants in labor markets, education, and other social institutions.

2. The results presented in this report are of a study that measured racial discrimination according to a specific project design. The reported levels of discrimination should not be misinterpreted as reflecting the actual housing search experiences of all black and white housing seekers. To the extent that the actual search behavior of housing seekers differs from the simulated search experience of this project, and to the extent that the characteristics of actual housing seekers differ from those of the auditors, the true nature and extent of discrimination in American housing markets may differ from results reported here. The difference between what real housing seekers may encounter and what the auditors encountered may be substantial.

3. One should not assume that because an individual site or census region showed a low level of discrimination on the housing availability measures that discrimination is necessarily less of a problem in that site or region than in others. Discriminatory practices appear to vary; the nature by which discrimination is practiced may vary from region to region and from site to site. Table 49 shows that an area may rank high on one index but low on another.

TABLE 49

SALES MARKET INDEX RESULTS

(Percent)

	HOUSING AVAILABILITY	COURTESY	SERVICE	HOUSEHOLD INFORMATION REQUESTED
NATIONAL	15***	12***	3**	15***
Northeast	10***	2	-3	26***
North Central	33***	8**	2	11**
South	11***	19***	6**	11***
West	12	4	18*	19**
LARGE SMSAs	17***	18***	7***	19***
SMALL SMSAs	8**	-13***	-16***	1
SAME AGENT	24***	2	6*	15***

NOTE: (1) For this table, being requested more household information is considered unfavorable treatment.

(2) Three asterisks indicate that the difference between the number of cases represented in columns 2 and 3 is statistically significant at the 0.01 level, two asterisks that the difference is statistically significant at the 0.05 level, one asterisk that the difference is statistically significant at the 0.10 level, and no asterisks that the difference is not statistically significant at the 0.10 level or lower.

4. The report focuses on instances of differential treatment and on systematic patterns of differential treatment. Instances in which both auditors of a team were treated no differently must not be neglected, however, for two reasons. First, it should be made apparent to blacks that in a significantly large percentage of both the rental and sales housing markets, black housing seekers may be treated the same as white housing seekers. Second, the efforts of rental and real estate agents who treat blacks no differently from whites should not go unnoticed.

In short, the study reveals extensive discrimination, although the level and nature of discrimination clearly vary among regions and sites. The absolute magnitude of the problem is less important than the fact that unequal housing opportunities that are solely the result of race still exist. The research perspective of this report has been that the precise numbers associated with the quantification of racial discrimination are considerably less important than the fact that substantial discrimination was observed. The goal of fair housing is to eliminate discrimination, not to reduce it. There is no such thing as a "tolerable" level of discrimination.

POLICY IMPLICATIONS

The principal policy implications to be derived from the audit must await regression analysis of the data, which facilitates determining which factors, including fair housing enforcement, influence discrimination. However, several major observations can be drawn from the findings presented in this report.

First, efforts to combat racial discrimination have not been completely successful, as is obvious from the extensive evidence of its existence presented in this report. It exists in some form throughout all parts of the country and is sufficiently prevalent to have major consequences on blacks' searches for housing. The task of eliminating racial discrimination faced by HUD, the Department of Justice, and other private and public fair housing agencies is far from complete. One can only conclude that the sanctions imposed on discriminators are insufficient, or that the probability of detecting discriminatory behavior is too low, or both.

Second, discriminatory treatment may be quite difficult to detect. In both the rental and sales markets, many black auditors experienced treatment that appeared favorable compared to their white teammates. Systematic differential treatment unfavorable to blacks can be confirmed only by examining a large number of experiences. In the sales market, it may be especially difficult for a black to perceive having been treated less well than a white partly because, although blacks and whites may be served differently, they do receive service.

These two issues emphasize the usefulness of the audit technique. One of the project's original objectives was to demonstrate the usefulness of auditing as a research tool. The project has clearly fulfilled this objective, but it has also confirmed that testing is an especially important tool in enforcing fair housing laws. The usefulness of testing for enforcement is evidenced by the use of the audit data by the Department of Justice. As of December 1978, Justice had used the audit data to initiate over 100 FBI investigations of suspected discriminators. It is expected that the information supplied on individual firms and agents suspected of discriminating will have significant enforcement benefits.

Third, although significant racial discrimination was observed, blacks and whites were treated no differently in a high percentage of the total number of tests. Blacks and whites were often told the housing they requested was immediately available. The battle to eliminate racial discrimination is far from complete, but unequal access to housing markets does not mean total exclusion.

FUTURE ANALYSIS OF DATA

Much of the data collected during the audit have yet to be analyzed (e.g., the information about specific houses auditors were invited to inspect). In addition, the audit information represents only one portion of the imposing amount of data HUD will analyze. Other components of the data set include:

- 1970 census tract information keyed to the location of the rental complex or real estate office
- 1970 census tract information keyed to the location of each unit suggested to or inspected by an auditor
- measures of efforts to enforce fair housing laws by the Departments of Housing and Urban Development and Justice, and by state, local, and private fair housing agencies
- information about the attitudes and knowledge of fair housing laws and their enforcement from both telephone and in-person interviews of a sample of rental and real estate agents audited
- updated census tract information for each of the five in-depth sites and for each site for which the R. L. Polk Company has collected housing market data more recently than 1970
- information about the size of the firms and complexes audited, including information about the probable share of market activity for each of the sales firms audited.

The data collected will allow the testing of a large number of hypotheses regarding the factors that may influence racial discrimination. In general, it is assumed that the treatment accorded auditors is a function of three sets of characteristics: those of the auditor, those of the area in which the audit occurred, and those of the rental complex or real estate firm audited. During the design phase of the project, numerous hypotheses about racial discrimination and the factors that influence it were identified. All of them will be tested during subsequent phases of the analysis. The principal analytic technique that will be used to test these hypotheses is multiple regression analysis, which allows for testing the effects of various factors on the treatment accorded auditors. Special computer programs are being assembled to facilitate the regression analysis.

Future HUD reports will address the following issues:

- whether the enforcement activities of HUD and other public and private fair housing agencies are effective in combating racial discrimination
- which factors, in addition to enforcement efforts, affect the probability of encountering differential treatment
- whether real estate and rental agents' attitudes and knowledge of fair housing laws and their enforcement affect their treatment of black housing seekers
- the extent of racial steering in the sales market and whether the degree of sales effort accorded auditors differed by race.

The data provide much material on racial discrimination, but the information also lends itself to examination of other issues. For example, the data will provide information on rental and real estate market practices in general. In addition, differences in the socioeconomic characteristics of an auditor--black or white--and the characteristics of existing residents of a community to which the auditor sought entry can be examined to explain whether the differences affect accessibility to the community. The HUD research team plans to explore these and related issues in the next stages of data analysis. This report can therefore be considered volume one of a series.

The next major HUD report will present the principal results of the multiple regression analysis and will address the issue of how the discrimination observed during the audit can be explained or predicted by social, demographic, and enforcement variables peculiar to the settings where testing was conducted. HUD is maintaining a mailing list of all organizations and individuals who have expressed interest in receiving this first report. Copies of subsequent reports will be mailed to anyone who wishes to receive them. Inquiries should be addressed to:

U.S. Department of Housing and Urban Development
Office of Policy Development and Research
Division of Product Dissemination and Transfer
451 - 7th Street, S.W., Room 8124
Washington, D.C. 20410

APPENDICES

A - Title VIII of the Civil Rights Act of 1968

B - The Manual for Auditors

C - Rental Audit Report Forms

D - Sales Audit Report Forms

EXCERPTS FROM THE CIVIL RIGHTS ACT OF 1968

Public Law 90-284
90th Congress, H.R. 2516
April 11, 1968

An Act

To prescribe penalties for certain acts of violence or intimidation, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. **Civil rights.**

* * *

TITLE VIII—FAIR HOUSING [*]

POLICY

SEC. 801. It is the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States. 42 USC 3601.

DEFINITIONS

SEC. 802. As used in this title—

(a) "Secretary" means the Secretary of Housing and Urban Development.

(b) "Dwelling" means any building, structure, or portion thereof which is occupied as, or designed or intended for occupancy as, a residence by one or more families, and any vacant land which is offered for sale or lease for the construction or location thereon of any such building, structure, or portion thereof.

(c) "Family" includes a single individual.

(d) "Person" includes one or more individuals, corporations, partnerships, associations, labor organizations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, receivers, and fiduciaries.

(e) "To rent" includes to lease, to sublease, to let and otherwise to grant for a consideration the right to occupy premises not owned by the occupant.

(f) "Discriminatory housing practice" means an act that is unlawful under section 804, 805, or 806.

(g) "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or any of the territories and possessions of the United States.

EFFECTIVE DATES OF CERTAIN PROHIBITIONS

SEC. 803. (a) Subject to the provisions of subsection (b) and section 807, the prohibitions against discrimination in the sale or rental of housing set forth in section 804 shall apply:

(1) Upon enactment of this title, to—

(A) dwellings owned or operated by the Federal Government;

(B) dwellings provided in whole or in part with the aid of loans, advances, grants, or contributions made by the Federal Government, under agreements entered into after November 20, 1962, unless payment due thereon has been made in full prior to the date of enactment of this title;

(C) dwellings provided in whole or in part by loans insured, guaranteed, or otherwise secured by the credit of the Federal Government, under agreements entered into after November 20, 1962, unless payment thereon has been made in full prior to the date of enactment of this title: *Provided*,

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[*] Note. Title VIII, as amended by Section 808(b) (1), (2), and (3) of the Housing and Community Develoment Act of 1974, Public Law 93-383, 93rd Congress, August 22, 1974.

FDIC or FSLIC institution.

That nothing contained in subparagraphs (B) and (C) of this subsection shall be applicable to dwellings solely by virtue of the fact that they are subject to mortgages held by an FDIC or FSLIC institution; and

(D) dwellings provided by the development or the redevelopment of real property purchased, rented, or otherwise obtained from a State or local public agency receiving Federal financial assistance for slum clearance or urban renewal with respect to such real property under loan or grant contracts entered into after November 20, 1962.

(2) After December 31, 1968, to all dwellings covered by paragraph (1) and to all other dwellings except as exempted by subsection (b).

Exemptions.

(b) Nothing in section 804 (other than subsection (c)) shall apply to—

(1) any single-family house sold or rented by an owner: *Provided*, That such private individual owner does not own more than three such single-family houses at any one time: *Provided further*, That in the case of the sale of any such single-family house by a private individual owner not residing in such house at the time of such sale or who was not the most recent resident of such house prior to such sale, the exemption granted by this subsection shall apply only with respect to one such sale within any twenty-four month period: *Provided further*, That such bona fide private individual owner does not own any interest in, nor is there owned or reserved on his behalf, under any express or voluntary agreement, title to any right to all or a portion of the proceeds from the sale or rental of, more than three such single-family houses at any one time: *Provided further*, That after December 31, 1969, the sale or rental of any such single-family house shall be excepted from the application of this title only if such house is sold or rented (A) without the use in any manner of the sales or rental facilities or the sales or rental services of any real estate broker, agent, or salesman, or of such facilities or services of any person in the business of selling or renting dwellings, or of any employee or agent of any such broker, agent, salesman, or person and (B) without the publication, posting or mailing, after notice, of any advertisement or written notice in violation of section 804(c) of this title; but nothing in this proviso shall prohibit the use of attorneys, escrow agents, abstractors, title companies, and other such professional assistance as necessary to perfect or transfer the title, or

(2) rooms or units in dwellings containing living quarters occupied or intended to be occupied by no more than four families living independently of each other, if the owner actually maintains and occupies one of such living quarters as his residence.

(c) For the purposes of subsection (b), a person shall be deemed to be in the business of selling or renting dwellings if—

(1) he has, within the preceding twelve months, participated as principal in three or more transactions involving the sale or rental of any dwelling or any interest therein, or

(2) he has, within the preceding twelve months, participated as agent, other than in the sale of his own personal residence in providing sales or rental facilities or sales or rental services in two or more transactions involving the sale or rental of any dwelling or any interest therein, or

(3) he is the owner of any dwelling designed or intended for occupancy by, or occupied by, five or more families.

DISCRIMINATION IN THE SALE OR RENTAL OF HOUSING

SEC. 804. As made applicable by section 803 and except as exempted by sections 803(b) and 807, it shall be unlawful—

(a) To refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, religion, sex, or national origin.

(b) To discriminate against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, sex, or national origin.

(c) To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, or national origin, or an intention to make any such preference, limitation, or discrimination.

(d) To represent to any person because of race, color, religion, sex, or national origin that any dwelling is not available for inspection, sale, or rental when such dwelling is in fact so available.

(e) For profit, to induce or attempt to induce any person to sell or rent any dwelling by representations regarding the entry or prospective entry into the neighborhood of a person or persons of a particular race, color, religion, sex, or national origin.

DISCRIMINATION IN THE FINANCING OF HOUSING

SEC. 805. After December 31, 1968, it shall be unlawful for any bank, building and loan association, insurance company or other corporation, association, firm or enterprise whose business consists in whole or in part in the making of commercial real estate loans, to deny a loan or other financial assistance to a person applying therefor for the purpose of purchasing, constructing, improving, repairing, or maintaining a dwelling, or to discriminate against him in the fixing of the amount, interest rate, duration, or other terms or conditions of such loan or other financial assistance, because of the race, color, religion, sex, or national origin of such person or of any person associated with him in connection with such loan or other financial assistance or the purposes of such loan or other financial assistance, or of the present or prospective owners, lessees, tenants, or occupants of the dwelling or dwellings in relation to which such loan or other financial assistance is to be made or given: *Provided*, That nothing contained in this section shall impair the scope or effectiveness of the exception contained in section 803(b).

DISCRIMINATION IN THE PROVISION OF BROKERAGE SERVICES

SEC. 806. After December 31, 1968, it shall be unlawful to deny any person access to or membership or participation in any multiple-listing service, real estate brokers' organization or other service, organization, or facility relating to the business of selling or renting dwellings, or to discriminate against him in the terms or conditions of such access, membership, or participation, on account of race, color, religion, sex, or national origin.

EXEMPTION

SEC. 807. Nothing in this title shall prohibit a religious organization, association, or society, or any nonprofit institution or organization operated, supervised or controlled by or in conjunction with a religious organization, association, or society, from limiting the sale, rental or occupancy of dwellings which it owns or operates for other than a commercial purpose to persons of the same religion, or from giving preference to such persons, unless membership in such religion is restricted on account of race, color, sex, or national origin. Nor shall anything in this title prohibit a private club not in fact open to the public, which as an incident to its primary purpose or purposes provides lodgings which it owns or operates for other than a commercial purpose, from limiting the rental or occupancy of such lodgings to its members or from giving preference to its members.

ADMINISTRATION

Authority and responsibility.

SEC. 808. (a) The authority and responsibility for administering this Act shall be in the Secretary of Housing and Urban Development.

Assitant Secretary.

(b) The Department of Housing and Urban Development shall be provided an additional Assistant Secretary. The Department of Housing and Urban Development Act (Public Law 89-174, 79 Stat. 667) is hereby amended by—

42 USC 3533.

(1) striking the word "four," in section 4(a) of said Act (79 Stat. 668; 5 U.S.C. 624b(a)) and substituting therefor "five,"; and

(2) striking the word "six," in section 7 of said Act (79 Stat. 669; 5 U.S.C. 624 (c)) and substituting therefor "seven." **42 USC 3535.**

Delegation of authority.

(c) The Secretary may delegate any of his functions, duties, and powers to employees of the Department of Housing and Urban Development or to boards of such employees, including functions, duties, and powers with respect to investigating, conciliating, hearing, determining, ordering, certifying, reporting, or otherwise acting as to any work, business, or matter under this title. The persons to whom such delegations are made with respect to hearing functions, duties, and powers shall be appointed and shall serve in the Department of Housing and Urban Development in compliance with sections 3105, 3344, 5362, and 7521 of title 5 of the United States Code. Insofar as possible, conciliation meetings shall be held in the cities or other localities where the discriminatory housing practices allegedly occurred. The Secretary shall by rule prescribe such rights of appeal from the decisions of his hearing examiners to other hearing examiners or to other officers in the Department, to boards of officers or to himself, as shall be appropriate and in accordance with law.

80 Stat. 415, 528.

(d) All executive departments and agencies shall administer their programs and activities relating to housing and urban development in a manner affirmatively to further the purposes of this title and shall cooperate with the Secretary to further such purposes.

(e) The Secretary of Housing and Urban Development shall—

(1) make studies with respect to the nature and extent of discriminatory housing practices in representative communities, urban, suburban, and rural, throughout the United States;

(2) publish and disseminate reports, recommendations, and information derived from such studies;

(3) cooperate with and render technical assistance to Federal, State, local, and other public or private agencies, organizations, and institutions which are formulating or carrying on programs to prevent or eliminate discriminatory housing practices;

(4) cooperate with and render such technical and other assistance to the Community Relations Service as may be appropriate to further its activities in preventing or eliminating discriminatory housing practices; and

(5) administer the programs and activities relating to housing and urban development in a manner affirmatively to further the policies of this title.

EDUCATION AND CONCILIATION

SEC. 809. Immediately after the enactment of this title the Secretary shall commence such educational and conciliatory activities as in his judgment will further the purposes of this title. He shall call conferences of persons in the housing industry and other interested parties to acquaint them with the provisions of this title and his suggested means of implementing it, and shall endeavor with their advice to work out programs of voluntary compliance and of enforcement. He may pay per diem, travel, and transportation expenses for persons attending such conferences as provided in section 5703 of title 5 of the United States Code. He shall consult with State and local officials and other interested parties to learn the extent, if any, to which housing discrimination exists in their State or locality, and whether and how State or local enforcement programs might be utilized to combat such discrimination in connection with or in place of, the Secretary's enforcement of this title. The Secretary shall issue reports on such conferences and consultations as he deems appropriate.

80 Stat. 499.

Reports on conferences.

ENFORCEMENT

Complaints. Procedure for filing.

SEC. 810. (a) Any person who claims to have been injured by a discriminatory housing practice or who believes that he will be irrevocably injured by a discriminatory housing practice that is about to occur (hereafter "person aggrieved") may file a complaint with the Secretary. Complaints shall be in writing and shall contain such information and be in such form as the Secretary requires. Upon receipt of such a complaint the Secretary shall furnish a copy of the same to the person or persons who allegedly committed or are about to commit the alleged discriminatory housing practice. Within thirty days after receiving a complaint, or within thirty days after the expiration of any

Penalty.

period of reference under subsection (c), the Secretary shall investigate the complaint and give notice in writing to the person aggrieved whether he intends to resolve it. If the Secretary decides to resolve the complaint, he shall proceed to try to eliminate or correct the alleged discriminatory housing practice by informal methods of conference, conciliation, and persuasion. Nothing said or done in the course of such informal endeavors may be made public or used as evidence in a subsequent proceeding under this title without the written consent of the persons concerned. Any employee of the Secretary who shall make public any information in violation of this provision shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned not more than one year.

(b) A complaint under subsection (a) shall be filed within one hundred and eighty days after the alleged discriminatory housing practice occurred. Complaints shall be in writing and shall state the facts upon which the allegations of a discriminatory housing practice are based. Complaints may be reasonably and fairly amended at any time. A respondent may file an answer to the complaint against him and with the leave of the Secretary, which shall be granted whenever it would be reasonable and fair to do so, may amend his answer at any time. Both complaints and answers shall be verified.

(c) Wherever a State or local fair housing law provides rights and remedies for alleged discriminatory housing practices which are substantially equivalent to the rights and remedies provided in this title, the Secretary shall notify the appropriate State or local agency of any complaint filed under this title which appears to constitute a violation of such State or local fair housing law, and the Secretary shall take no further action with respect to such complaint if the appropriate State or local law enforcement official has, within thirty days from the date the alleged offense has been brought to his attention, commenced proceedings in the matter, or, having done so, carries forward such proceedings with reasonable promptness. In no event shall the Secretary take further action unless he certifies that in his judgment, under the circumstances of the particular case, the protection of the rights of the parties or the interests of justice require such action.

Commencement of civil actions.

(d) If within thirty days after a complaint is filed with the Secretary or within thirty days after expiration of any period of reference under subsection (c), the Secretary has been unable to obtain voluntary compliance with this title, the person aggrieved may, within thirty days thereafter, commence a civil action in any appropriate United States district court, against the respondent named in the complaint, to enforce the rights granted or protected by this title, insofar as such rights relate to the subject of the complaint: *Provided*, That no such civil action may be brought in any United States district court if the person aggrieved has a judicial remedy under a State or local fair housing law which provides rights and remedies for alleged discriminatory housing practices which are substantially equivalent to the rights and remedies provided in this title. Such actions may be brought without regard to the amount of controversy in any United States district court for the district in which the discriminatory housing practice is alleged to have occurred or be about to occur or in which the respondent resides or transacts business. If the court finds that a discriminatory housing practice has occurred or is about to occur, the court may, subject to the provisions of section 812, enjoin the respondent from engaging in such practice or order such affirmative action as may be appropriate.

(e) In any proceeding brought pursuant to this section, the burden of proof shall be on the complainant.

(f) Whenever an action filed by an individual, in either Federal or State court, pursuant to this section or section 812, shall come to trial the Secretary shall immediately terminate all efforts to obtain voluntary compliance.

INVESTIGATIONS; SUBPENAS; GIVING OF EVIDENCE

Records and documents, access.

SEC. 811. (a) In conducting an investigation the Secretary shall have access at all reasonable times to premises, records, documents, individuals, and other evidence or possible sources of evidence and may examine, record, and copy such materials and take and record the testimony or statements of such persons as are reasonably necessary for the furtherance of the investigation: *Provided,* however, That the Secretary first complies with the provisions of the Fourth Amendment relating to unreasonable searches and seizures. The Secretary may issue subpenas to compel his access to or the production of such materials, or to the appearance of such persons, and may issue interrogatories to a respondent, to the same extent and subject to the same limitations as would apply if the subpenas or interrogatories were issued or served in aid of a civil action in the United States district court for the district in which the investigation is taking place. The Secretary may administer oaths.

Subpenas.

(b) Upon written application to the Secretary, a respondent shall be entitled to the issuance of a reasonable number of subpenas by and in the name of the Secretary to the same extent and subject to the same limitations as subpenas issued by the Secretary himself. Subpenas issued at the request of a respondent shall show on their face the name and address of such respondent and shall state that they were issued at his request.

Witnesses, compensation.

(c) Witnesses summoned by subpena of the Secretary shall be entitled to the same witness and mileage fees as are witnesses in proceedings in United States district courts. Fees payable to a witness summoned by a subpena issued at the request of a respondent shall be paid by him.

(d) Within five days after service of a subpena upon any person, such person may petition the Secretary to revoke or modify the subpena. The Secretary shall grant the petition if he finds that the subpena requires appearance or attendance at an unreasonable time or place, that it requires production of evidence which does not relate to any matter under investigation, that it does not describe with sufficient particularity the evidence to be produced, that compliance would be unduly onerous, or for other good reason.

(e) In case of contumacy or refusal to obey a subpena, the Secretary or other person at whose request it was issued may petition for its enforcement in the United States district court for the district in which the person to whom the subpena was addressed resides, was served, or transacts business.

Failure to testify, penalty.

(f) Any person who willfully fails or neglects to attend and testify or to answer any lawful inquiry or to produce records, documents, or other evidence, if in his power to do so, in obedience to the subpena or lawful order of the Secretary, shall be fined not more than $1,000 or imprisoned not more than one year, or both. Any person who, with intent thereby to mislead the Secretary, shall make or cause to be made any false entry or statement of fact in any report, account, record, or other document submitted to the Secretary pursuant to his subpena or other order, or shall willfully neglect or fail to make or cause to be made full, true, and correct entries in such reports, accounts, records, or other documents, or shall willfully mutilate, alter, or by any other means falsify any documentary evidence, shall be fined not more than $1,000 or imprisoned not more than one year, or both.

(g) The Attorney General shall conduct all litigation in which the Secretary participates as a party or as amicus pursuant to this Act.

ENFORCEMENT BY PRIVATE PERSONS

SEC. 812. (a) The rights granted by sections 803, 804, 805, and 806 may be enforced by civil actions in appropriate United States district courts without regard to the amount in controversy and in appropriate State or local courts of general jurisdiction. A civil action shall be commenced within one hundred and eighty days after the alleged discriminatory housing practice occurred: *Provided, however,* That the court shall continue such civil case brought pursuant to this section or section 810(d) from time to time before bringing it to trial if the court believes that the conciliation efforts of the Secretary or a State or local agency are likely to result in satisfactory settlement of the discriminatory housing practice complained of in the complaint made to the Secretary or to the local or State agency and which practice forms the basis for the action in court: *And provided, however,* That any sale, encumbrance, or rental consummated prior to the issuance of any court order issued under the authority of this Act, and involving a bona fide purchaser, encumbrancer, or tenant without actual notice of the existence of the filing of a complaint or civil action under the provisions of this Act shall not be affected.

Civil action without fees, etc.

(b) Upon application by the plaintiff and in such circumstances as the court may deem just, a court of the United States in which a civil action under this section has been brought may appoint an attorney for the plaintiff and may authorize the commencement of a civil action upon proper showing without the payment of fees, costs, or security. A court of a State or subdivision thereof may do likewise to the extent not inconsistent with the law or procedures of the State or subdivision.

Damages, limitation.

(c) The court may grant as relief, as it deems appropriate, any permanent or temporary injunction, temporary restraining order, or other order, and may award to the plaintiff actual damages and not more than $1,000 punitive damages, together with court costs and reasonable attorney fees in the case of a prevailing plaintiff: *Provided*, That the said plaintiff in the opinion of the court is not financially able to assume said attorney's fees.

ENFORCEMENT BY THE ATTORNEY GENERAL

SEC. 813. (a) Whenever the Attorney General has reasonable cause to believe that any person or group of persons is engaged in a pattern or practice of resistance to the full enjoyment of any of the rights granted by this title, or that any group of persons has been denied any of the rights granted by this title and such denial raises an issue of general public importance, he may bring a civil action in any appropriate United States district court by filing with it a complaint setting forth the facts and requesting such preventive relief, including an application for a permanent or temporary injunction, restraining order, or other order against the person or persons responsible for such pattern or practice or denial of rights, as he deems necessary to insure the full enjoyment of the rights granted by this title.

EXPEDITION OF PROCEEDINGS

SEC. 814. Any court in which a proceeding is instituted under section 812 or 813 of this title shall assign the case for hearing at the earliest practicable date and cause the case to be in every way expedited.

EFFECT ON STATE LAWS

SEC. 815. Nothing in this title shall be construed to invalidate or limit any law of a State or political subdivision of a State, or of any other jurisdiction in which this title shall be effective, that grants, guarantees, or protects the same rights as are granted by this title; but any law of a State, a political subdivision, or other such jurisdiction that purports to require or permit any action that would be a discriminatory housing practice under this title shall to that extent be invalid.

COOPERATION WITH STATE AND LOCAL AGENCIES ADMINISTERING FAIR HOUSING LAWS

SEC. 816. The Secretary may cooperate with State and local agencies charged with the administration of State and local fair housing laws and, with the consent of such agencies, utilize the services of such agencies and their employees and, notwithstanding any other provision of law, may reimburse such agencies and their employees for services rendered to assist him in carrying out this title. In furtherance of such cooperative efforts, the Secretary may enter into written agreements with such State or local agencies. All agreements and terminations thereof shall be published in the Federal Register.

Publication in Federal Register.

INTERFERENCE, COERCION, OR INTIMIDATION

SEC. 817. It shall be unlawful to coerce, intimidate, threaten, or interfere with any person in the exercise or enjoyment of, or on account of his having exercised or enjoyed, or on account of his having aided or encouraged any other person in the exercise or enjoyment of, any right granted or protected by section 803, 804, 805, or 806. This section may be enforced by appropriate civil action.

APPROPRIATIONS

SEC. 818. There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this title.

SEPARABILITY OF PROVISIONS

SEC. 819. If any provisions of this title or the application thereof to any person or circumstances is held invalid, the remainder of the title and the application of the provision to other persons not similarly situated or to other circumstances shall not be affected thereby.

MANUAL FOR AUDITORS

Housing Market Practices Survey

MANUAL FOR AUDITORS

AUDITOR: NAME ______________________________
ADDRESS ______________________________
______________________ZIP __________
TELEPHONE NUMBER ______________________

TEAMMATE: NAME ______________________________
ADDRESS ______________________________
______________________ZIP __________
TELEPHONE NUMBER (Bus.)________(Res.)__________

SUPERVISOR: NAME ______________________________
ADDRESS ______________________________
______________________ZIP __________
TELEPHONE NUMBER (Bus.)________ (Res.)__________

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MANUAL FOR AUDITORS

An Audit is a study done to determine the difference in quality content, and quantity of information and service given to clients by real estate firms and rental property managers that could only result from a difference in the clients' race. The audit is conducted under the supervision of a coordinator, and sends teams [sic] of trained volunteers to well-known real estate agencies [or rental complexes] to pose as home-seekers. Each team is matched according to income, family size, age, general appearance, etc.--every factor except skin color. Each member is sent to the same agency at closely spaced intervals, presenting similar housing desires. Each volunteer then keeps detailed accounts of his experience in the categories being tested, and avoids contact with his audit counterpart until his report is completed. (From Racial Steering: The Dual Housing Market and Multiracial Neighborhoods, National Neighbors, 1973, p. 20.)

I. INTRODUCTION AND BACKGROUND

Thank you for helping us to survey housing market practices. This survey is part of a nationwide effort to measure the extent and nature of racial discrimination in housing and, especially, to measure the impact and effectiveness of Federal, state, and local fair housing laws and enforcement activities. This manual is designed: (1) to provide an overall description of the audit project; (2) to provide a description of the procedures you will be required to follow in conducting the audit; and (3) to serve as a reference and guide for you throughout the course of the project. This manual is to be read carefully in its entirety and consulted frequently to refresh your memory concerning prescribed procedures and to answer your questions as they arise. Any questions about auditing procedures or forms (or anything else) which remain unanswered or unclear after consulting the manual should be directed to your Audit Supervisor.

Since 1968, it has been a violation of Federal law to discriminate in the sale or rental of housing on the basis of race, color, religion, national origin, or -- since 1974 -- sex. Discrimination had been prohibited in a number of states and municipalities at earlier dates -- going back, in the case of Colorado, to 1959. Prior to enactment of these laws, discrimination was the accepted practice in most real estate markets, with one section of the market reserved for whites -- another section for blacks and other minorities. Market operators, through their ability to influence or control specific sales or rentals, effectively determined the boundaries of those separate markets.

Although there have been changes in practices by agents and brokers which have reduced housing discrimination, the extent of those changes is not fully known. Knowledge of the degree to which blacks currently have access (or do not have access) to the total real estate housing market on the same basis as whites is of crucial importance in informing the citizenry and public officials of the extent of existing compliance with the law. Therefore, by participating in this project, you are assisting in a major research and evaluation project, the results of which will be used by policy makers at all levels in devising and implementing more effective fair housing programs.

II. PROJECT DESIGN AND INSTRUCTIONS

A. Confidentiality

Remember your pledge of confidentiality. This is of critical importance. Please do not disclose to anyone that you are engaged in auditing real estate and rental agents. (The only one who will probably need to know about your auditing activities is your spouse.) If you are asked by friends or others concerning your activities, you might offer some generalized answer about "marketing research." But avoid using such words as "testing," "auditing," etc.

Please treat the use of this manual and of all other documents and forms related to this project as confidential. Never take any documents or forms with you into any real estate or rental office. Do not leave them in an unlocked automobile. Always complete your forms immediately after each site visit, but at some point well out of sight of the office you audited.

All materials relating to this project, including this manual and folder, are the property of the sponsoring organization and must be returned to your Audit Supervisor as you will be instructed.

Confidentiality about this project must be strictly maintained until all data collection has been completed. At some time, within six months after the audit has been completed, the results will be available from your Audit Supervisor upon request. You will then be released from your pledge of confidentiality and open discussion will be permitted.

B. Project Design

THIS IS A RESEARCH PROJECT. TO ENSURE THE VALIDITY OF THE RESULTS, ALL AUDITS IN ALL AUDIT AREAS MUST BE CONDUCTED IN STRICT ACCORDANCE WITH PROJECT DESIGN AND SPECIFICATIONS. Although this audit shares with all other audits the same general objective -- to eliminate discrimination -- the primary objective of this project is to measure the accessibility of housing to blacks relative to whites in order to evaluate the effectiveness of fair housing enforcement activities.

You may have had experience in conducting audits in the past, most of which have been conducted to collect evidence for litigation or for other enforcement purposes. For such purposes, it is appropriate to concentrate auditing in those areas where there is greatest reason to believe evidence will be found. In contrast, for this particular project, the objective is measurement of discriminatory market behavior. Agents and brokers to be audited have been selected so as to be representative of the entire market in this area. Therefore, we will expect to detect the absence of discrimination by some agents and brokers as well as the presence of discrimination by others. Objective measurement can be achieved only by auditors behaving as typical home-seekers and adhering strictly to prescribed procedures and instructions.

This project has been carefully designed and tested by a team of persons who are skilled as social science researchers and highly knowledgeable about housing and real estate auditing practices. FAITHFUL ADHERENCE TO THE PROCEDURES AND INSTRUCTIONS

SET FORTH IN THIS MANUAL IS ESSENTIAL TO THE PROJECT'S SUCCESS. Without such adherence, the research will lose much of its validit and policy relevance. For example, you should be aware of the importance of conducting actual inspections of houses, which is essential if steering is to be detected.

III. DEFINITIONS OF TERMS USED THROUGHOUT THIS PROJECT

A.	AUDIT SUPERVISOR:	The Audit Supervisor is the person who bears full responsibility for managing this audit project in each audit area. Your Audit Supervisor is responsible for recruiting and training auditors and for providing all necessary direction of the audit in your particular area.
B.	REAL ESTATE AUDIT:	A Real Estate Audit is a systematic, controlled measure of the extent to which white homeseekers and black homeseekers receive equivalent service from sales and rental offices. Matched teams of auditors (one white and one black) visit real estate sales offices or apartment rental offices, each team member requesting comparable housing but at different times. Each auditor records his or her experiences independently on a standardized form. The recorded experiences from each pair of

auditors are then compared systematically to determine whether services and information were supplied equally to both individuals.

C. AUDIT TEAM: An Audit Team in this particular project is made up of one black and one white individual. The members of each team must be matched as closely as possible in all relevant characteristics -- age, sex, family composition, income level, etc. -- other than race. (In some instances it may be necessary for auditors to assume characteristics other than their own in order to match their teammate's characteristics.)

D. AUDIT UNIT: An Audit Unit entails visits by both members of an audit team to a particular real estate sales or rental office. Each member visits the office individually, one after the other, requesting comparable housing. Responses of the sales and rental personnel are observed and recorded on standard forms immediately after the visit. A completed audit unit consists of the following items at a minimum:

(a) A visit to the real estate or rental office by both audit team members.

(b) Completely filled-out audit report forms.

(c) Debriefing by the Audit Supervisor.

E. SITE VISIT: A Site Visit is one-half of an Audit Unit, i.e., a visit by either the black or the white member of an Audit Team including the completion of the appropriate report forms.

F. FOLLOW-UP: A "Follow-up" is any further contact by the real estate agent, after a site visit, to supply or obtain further information, and the recording of this contact.

G. DEBRIEFING: A Debriefing consists of the Audit Supervisor's review of the completed audit report forms and interview with each audit team member. Debriefing will be scheduled within a day after audit units are completed whenever possible.

H. SITE VISIT ASSIGNMENT FORM: A Site Visit Assignment Form is prepared by the Audit Supervisor for each Audit Unit. This form provides:

(1) The name of the real estate agency or rental office to be audited.

(2) The specified housing to be requested, e.g., size, price and location.

(3) The characteristics you are to assume and the role you are to play. The characteristics assigned will be those which make you a credible prospective renter or buyer of the requested housing unit.

Your Site Visit Assignment Form will be stapled to the appropriate audit report form when you receive your audit assignment(s) from the Audit Supervisor. (If you receive more than one assignment at a time, make certain that a separate Site Visit Assignment Form is attached to each audit report form.)

I. INSTRUMENTS/ AUDIT REPORT FORMS

Instruments and Audit Report Forms are used synonymously to refer to the forms on which you are to record your experiences immediately after completing a site visit. There are four such forms:

(1) "Housing Market Practices Survey -- Sales Audit Report Form No. 1"

(2) "Housing Market Practices Survey -- Supplementary Sales Audit Report Form No. 1A."

(3) "Housing Market Practices Survey -- Rental Audit Report Form No. 2."

(4) "Housing Market Practices Survey -- Supplementary Rental Audit Report Form No. 2A."

J. CONTROL NUMBER:

The Control Number consists of eight digits and identifies each individual

audit as illustrated below:

080-1-101-2

080 - audit area or SMSA (Standard Metropolitan Statistical Area)

1 - sales audit ("2" would indicate rental)

101 - serial number of first audit unit in sales series ("201" would designate first audit unit in rental series)

2 - white auditor ("1" would indicate black auditor)

K. OTHER NUMBERS: **In addition to the control number described above, three other sets of numbers are to be found on each page of each audit instrument:**

(1) Data processing numbers

(2) Item (or question) numbers

(3) Response numbers

__For example__:

15. Did the agent request any of the following information about how you could be reached (CIRCLE YES OR NO __FOR EACH__):

	Yes	No	
85	[✓ 1]	2	a. Telephone number at which you could be reached
86	1	[✓ 2]	b. Address at which you could be reached
87	1	[✓ 2]	c. Other (specify)____________________

88 16. If the agent requested any of the above information (Items 9 through 15), did the agent record any of this information or ask you to record it (CIRCLE ONE):

1 Yes, on what appeared to be a standard printed or duplicated form, a file card, log book, etc.
[✓ 2] Yes, but not on a standard printed or duplicated form, file card, log book, etc.
3 No, did not record even though agent requested information
4 No, agent did not request any information

89 17. Did the agent state at any time that you might be unqualified to rent an apartment (CIRCLE ONE):

1 Yes [✓ 2] No

IV. PREPARING TO CONDUCT THE AUDIT

A. Training

All persons who have agreed to participate as auditors are required to complete the training course. This consists of four parts:

(1) Carefully reading this manual, including appendices

(2) Attending group training sessions

(3) Performing two practice audits

(4) Participating in review and debriefing session

No person will be assigned to conduct any audits unless (s)he has completed the full training course. You will be paid a stated sum for taking the full course, providing you also conduct a specified minimum number of audit units. (See "How Auditors Will be Paid," page Aud-37.)

Group Sessions -- The precise schedule for the group training sessions may vary from one audit area to another. Each Audit Supervisor will adapt the schedule to meet local conditions; however, it is likely that there will be three sessions of about three hours each, e.g., Friday (6:30 p.m. - 9:30 p.m.); Saturday (9:00 a.m. - 12:00 noon); and Saturday (1:00 p.m. - 4:00 p.m.). The program schedule in full detail will be presented to each auditor-trainee prior to the beginning of the group training session.

Practice Audits -- Each audit team will be assigned two audits, one sales and one rental, to be conducted exactly as though they were real audits. Procedures must be followed, inspections made, and forms filled out, followed by the review and debriefing described below.

The only difference between practice and real audits is that practice audits will not go into the data bank. Practice audits are intended to serve three purposes:

- -- to help you assume your role and to feel more comfortable and secure in playing that role,
- -- to help you develop familiarity and experience with the procedures and instruments,
- -- to help the Audit Supervisor evaluate the capability of your audit team.

Review and Debriefing -- You are required to review your completed practice audit report forms with the Audit Supervisor and to participate with a group of other auditors in debriefing, sharing of experiences, and mutual self-criticism. No assignments of regular audits will be made to your team until you and your teammate have completed this Review and Debriefing process.

B. Survey Standards

In order to ensure reliability of the overall audit results, it is essential that the same standards be used throughout the country. The following points are crucial:

(1) Confidentiality: All information about the Audit -- the fact that it is to take place, the times, the participants, the locations -- must be kept confidential until the entire national project has been completed and the results made public.

(2) Comparability: Both members of each audit team must request the same size (and, for sales audits, price and neighborhood) of housing, and must present similar characteristics appropriate for a renter or buyer of that housing.

(3) Credibility as homeseekers: You must dress and act the part of a bona fide homeseeker. For example, when shopping for high-priced suburban homes, you should dress in accord with local standards for persons of that economic status and you ought to know some of the basics of housing finance. You should know enough about houses to ask credible questions. However, uncertainty about exactly what housing unit you want or at what precise location is not inconsistent with being credible. That is, homeseekers cannot know exactly what they want until they find out what is available from the agent or broker. Certain audit teams may have greater credibility for particular assignments than will other teams and, therefore, they may be assigned more audit units than will others. (Auditors are actors. Actors must dress and act the part they are to play. If a Supervisor comments on dress, the comments are not directed at the person in her or his normal role in life, but to the role being played.)

(4) Acceptance and comfortability in role: Not everyone can be a credible actor in an assumed role. This is no reflection upon the person. However, a poor actor makes a poor auditor and will do the project more harm than good. If you are uncomfortable in your role, speak to your Audit Supervisor. You

are under no obligation to continue doing something that you do not like to do.

(5) Persistence: Auditors should behave as though they are genuinely active, bona fide homeseekers. You should first make the specified housing request and respond appropriately to inquiries from the real estate or rental agents. Then, if the agents do not volunteer information that a homeseeker would normally want to have, you should ask the appropriate questions. In conducting a sales audit, you should particularly ask: What exactly is the asking price? What is the exact address of the house? What is the required downpayment? What type of financing would be available? In conducting a rental audit, you should particularly ask: What is the exact rent? What is the exact apartment number? What security deposit is required? What are the lease arrangements?

These are questions that any homeseeker might be expected to ask, and you should get as much specific information along these lines as possible through polite, but persistent, questioning, if such information is not volunteered by the agent.

(6) Non-directiveness with respect to discrimination: You should avoid asking questions that would suggest an audit is under way. There should be no questions about race or racial policy. In some

instances, agents may drop remarks that appear to be subtle appeals to prejudice. You are not to follow up on such comments; however, it is important that these remarks be recorded on the audit forms.

(7) Accuracy in Reporting: The audit report forms must be completed fully and accurately immediately after leaving the real estate or rental office. Complete and accurate notations of addresses of both offices and houses inspected are very, very important. You are urged to check and double check. Completed audit forms must be reviewed with the Audit Supervisor within a day after completion, and before another assignment is undertaken.

C. Team and Individual Preparation

(1) Team Preparation: For each Audit Unit both you and your teammate will receive a Site Visit Assignment Form which will have been prepared by the Audit Supervisor. This form will supply you with the following information:

a) Name, address, and telephone number of real estate broker or rental agency to be audited.

b) Instructions concerning the type of house or apartment to be requested.

c) Instructions concerning the characteristics you are to assume and the role you are to play (e.g., your sex, age, marital status, number and ages of children, household income, occupation and earnings of both you and your spouse, and your available downpayment).

NOTE: Your Site Visit Assignment Forms should be completely filled out when you receive them. If not, or if you have questions about your assigned characteristics, bring them to the attention of your Audit Supervisor immediately. Return each Site Visit Assignment Form with the completed Audit Report Form.

(2) Individual Preparation: The purpose of the audit is to measure the response of a real estate or rental agent to unfamiliar customers or prospects. Therefore, it is essential that Auditors not visit sales or rental offices where they might be recognized. Preferably, you should not visit offices located in your home neighborhood.

a) If you are not from the neighborhood in which the site visit is to be made, your real name, address, and telephone number will normally be used. Besides, if you live in another neighborhood, you are more likely to be uninformed about the neighborhood in which the site visit is being made, and you can logically ask pertinent questions.

b) If you live in the neighborhood to be audited, it may be necessary to assume a different identity for audit purposes. There are several ways of doing this which may be covered in the training session. (Since the use of fictitious identities often leads to confusion and may generate suspicion, fictitious identities will be avoided as much as possible.)

V. CONDUCTING THE AUDIT

A. Arranging Visits — Sales and Rentals

(1) Since you are one-half of a two-person team, be sure to identify your teammate and become acquainted with him or her. On the inside cover of this manual there is space for recording your teammate's name, address and telephone number.

(2) You and your teammate will receive exactly the same set of instructions on your Site Visit Assignment Forms. The two of you should mutually confer in person or by telephone in planning and coordinating each day's assignments and activities.

(3) Your Audit Supervisor will issue instructions concerning whether or not appointments are to be made with the assigned real estate and rental agents.

(4) It is imperative that both members of an audit team make the same type of approach. That is, if an appointment is made for the white auditor, one should be made for the black auditor as well. It is also imperative that auditors follow practices which are conventional for a given area. For example, if the usual local practice is to make appointments, your Audit Supervisor will instruct you on the exact procedure to be followed.

(5) Care must be taken to avoid forewarning the auditee that a black homeseeker is on the way. For example, some people have accents that "sound black." Hence, it is essential that any telephone inquiries be conducted by persons whose accents would not suggest that they are black. Each Audit Team should work out an arrangement in consultation with the Audit Supervisor.

(6) If appointments are not the usual local practice, it may still be advantageous to telephone to ascertain the hours when the office will be open. (When such calls are necessary, an arrangement for making them will be determined in consultation with your Audit Supervisor.)

(7) You and your teammate should consult with each other before, during, and after making the required telephone inquiries and/or appointments in order to coordinate your auditing schedules.

For rental audits the black must go first. The white must follow within one hour.

For sales audits the white must go first. The black must follow no later than the very next day (maximum time interval of thirty-two hours).

(8) The Audit Supervisor must be advised on a daily basis concerning the audits underway. As soon as you and your teammate agree upon a day's schedule, one of you should telephone the Audit Supervisor and give a report.

(9) No Vacancies: If, while making telephone inquiries, you discover that no vacancies are available from the assigned rental office, immediately telephone the Audit Supervisor for instructions.

(10) Emergencies: In the event you cannot complete an assignment due to an emergency (e.g., a sudden illness), contact your teammate and Audit Supervisor immediately.

(11) You will be expected to report in person to your Audit Supervisor for a debriefing within a day after completing an Audit Site Visit. If you are to do a good job of auditing, you should do no more than two or three per day. Your Supervisor will limit the number of assignments between debriefings accordingly.

B. Sales Audits

(1) Before Site Visit: Study your Audit Report Forms No. 1 and No. 1A and your Site Visit Assignment Form thoroughly. DO NOT TAKE FORMS OR FOLDER INTO BROKER'S OFFICE OR ON HOUSE INSPECTION. Leave them in your locked car. Review the list of "Reminders."

(2) Getting into the role: To be successful, you must be:

a) BELIEVABLE -- Being comfortable with your assigned background is necessary.

b) INTERESTED AND ATTENTIVE -- "Psych" yourself into a house-hunting mood.

c) PATIENT -- It is essential that you be willing to spend the necessary time. To inspect houses it sometimes may be necessary to return for a second visit.

d) RELAXED -- If you are believable, interested, and patient, you will also be relaxed.

e) KNOWLEDGEABLE -- Be familiar with a few of the basics about buying houses. (See (1) "A Typical Real Estate Transaction" and (2) "Home Buyer's Vocabulary" included with your audit manual.)

(3) Parking: Keep in mind that you should never work on audit forms while under possible observation from the real estate office under audit. If you want to refresh your memory about questions on the forms before going into the office, do so while parked some distance away. Complete your forms almost immediately after leaving the office; however, be sure to drive to a location several blocks away.

(4) Office Introduction: When entering a real estate office, the first contact is frequently made with a receptionist. After you tell him or her that you are interested in, say, a three-bedroom house in the designated price range, (s)he typically will call a salesperson who will take you to his or her desk. It is essential that you and your teammate ask for the same size, price range, and neighborhood. It is equally essential that you and your teammate adhere to your assigned cover story. If you are asked how you happened to come to the office, say that you had heard about the agency from an acquaintance or saw their sign in the window or noticed their listing in the yellow pages (make sure they are listed). Use a plausible explanation, but make sure that you never refer to a current advertisement.

(5) The Interview: The main idea of an audit is to determine how a particular real estate firm and its sales personnel are serving black homeseekers and white homeseekers. You should request size, price, and neighborhood as specified on your Site Visit Assignment Form. If the requested housing is not available, ask the sales agent to suggest some alternative houses. Remember that the agent's role is to offer and sell houses. Leave the burden of selection to the agent.

The salesperson may offer you a book (or similar directory) containing listings of houses available for sale. These are usually listed according to price and neighborhood. It is preferable that the salesperson leaf through the listings and make recommendations to you. If the salesperson asks you to make some selections from the listings, politely decline and ask the salesperson to make recommendations to you. (See "Vignettes" for some reasons for declining.) Remember, everything that transpires, every bit of information you obtain is important and should be recorded. However, the two most important pieces of information needed in these audits are the precise addresses and prices of houses suggested to you as serious possibilities.

(6) **Visiting Homes:** If the salesperson offers to show you houses, by all means go. If at all possible, you should inspect several of the houses (at least two).

a) Be as natural as you can, and act the way any real homeseeker would be expected to act. Don't volunteer any information about yourself. Respond to questions with answers consistent with your Site Visit Assignment Form.

b) Check the closets and storage areas; look at the kitchen, bath facilities, yard, and basement; ask about the heating, wiring, and plumbing, etc.

c) If the agent has not already volunteered the information, ask about the asking price, the down payment, the interest rate, and the type of financing.

d) If the agent has not already volunteered the information, ask about the neighborhood, shopping areas, transportation, schools, etc.

e) It is perfectly acceptable to take notes about any information you receive. Any homeseeker might do this.

f) The sales audit has been budgeted on the assumption that an average of three houses will be inspected in each audit unit, i.e., that each team of auditors will inspect an average of three houses between them when they audit a particular real estate agency. The overall quality of the real estate audit is very dependent upon the number of houses inspected. This is because discriminatory showing of houses by location is often too subtle to detect without actually inspecting houses.

(7) Discontinuing the Audit: You may find it difficult to end the audit, especially if the salesperson is eager to sell you a house. Therefore, here are some plausible reasons for discontinuing the audit: (1) "Sorry, I must get home in time for my children" or (2) "I think I've seen enough houses to give me an idea of what's available" or (3) "Before I go further I should discuss what I have seen so far with my (spouse)." When you are ready to leave the agent, ask for a business card if you have not been offered one.

(8) Recording Racial Comments: Agents may offer gratuitous comments which appear to be appeals to racial prejudice; e.g., to a white auditor he may say, "You won't have to worry about neighbors who don't fit in; we're careful about whom we show houses to." Or, to a black auditor he may say, "You'll like it here; there are several other people like you living in the neighborhood."

In most instances the comments can be ignored. In some instances, however, comments may be so pointed that a response is required. "I see what you mean" or "Is that so" should suffice. The important thing is to record accurately these apparent racial comments on Audit Report Form No. 1.

(9) Follow-up: If you are a convincing homeseeker, the salesperson may follow up with a phone call to suggest other available houses or to ask whether you have come to any conclusions. It is essential that you handle such follow-up calls with considerable skill. If not, the salesperson may suspect that an audit is underway. A few plausible responses are:

-- "Thank you very much for calling. My (spouse) and I found another house that we like."

-- "After looking at houses, we were surprised at how little we can get for what we are willing to spend; so we stopped looking."

-- "We just changed our minds."

In some cases the telephone may be answered by someone other than youself. The salesperson may ask, for example, "Have you and your (spouse) discussed the houses we looked at the other day?" It is essential that your spouse have some knowledge and be prepared to give a credible answer to discontinue the audit. You will receive a follow-up form for each assignment which you will be asked to complete and return to your Audit Supervisor seven days after the site visit. If you receive a call from the broker you audited, record this information. No audit report is complete until the follow-up form has been turned in. (If the follow-up call comes in after seven days, you need not report it.)

C. Rental Audits

(1) Before Site Visit: Study your Audit Report Forms No. 2 and No. 2A and your Site Visit Assignment Form thoroughly. DO NOT TAKE FORMS OR FOLDER INTO RENTAL OFFICE OR ON APARTMENT INSPECTION. Leave them in your locked car. Review the list of "Reminders."

(2) Getting into Your Role: To be successful, you must be:

a) BELIEVABLE -- Being comfortable with your assigned beckground is necessary.

b) INTERESTED AND ATTENTIVE -- "Psych" yourself into an apartment-hunting mood.

c) PATIENT -- It is essential that you be willing to spend the necessary time.

d) RELAXED -- If you are believable, interested, and patient, you will also be relaxed.

e) KNOWLEDGEABLE -- Be familiar with a few of the basics about renting apartments.

(3) Parking: Keep in mind that you should never work on audit forms while under possible observation from the rental office under audit. If you want to refresh your memory about questions on the forms before going into the office, do so while parked some distance away. Complete your forms almost immediately after leaving the office; however, be sure to drive to a location several blocks away.

(4) Rental Offices: There are likely to be three different types of rental offices:

a) Large apartment complexes with management/ rental office on the premises -- the type you will commonly visit.

b) A central office of a management firm with apartments under management in several parts of the audit area. Although there may be a central rental office, it is more likely that resident managers or agents at the respective sites handle the rental of apartments.

c) An owner-occupied house with one or two apartments, duplexes, and houses for rent.

(5) **Office Introduction and Interview -- Large Apartment Complexes:** When entering a rental office, the first contact is usually with a rental agent. You should request the size of the apartment as designated on your Site Visit Assignment Form. If you request an efficiency apartment and are told that no efficiences are available, you should request a one-bedroom apartment. If you request a one-bedroom apartment and are told that no one-bedrooms are available, you should request a two-bedroom apartment. If you request a two-bedroom apartment and are told that no two bedrooms are available, you should request a one-bedroom apartment. If you request a three-bedroom apartment and are told that no three-bedrooms are available, you should request a two-bedroom apartment.

If your second request is not available, ask what is available. Avoid volunteering information about yourself, but answer the agent's questions about yourself on the basis of your assigned characteristics. Also fill out any required application form and guest cards with information as to name, address, phone number, etc., according to the information provided you on your Site Visit Assignment Form.

a) Whether or not you are told an apartment is available, take careful note of the following items:

-- The precise address of the building(s).

-- The age, race, and sex of the agent.

-- The total number of apartments.

b) If you are told that no apartments are available, ask the following questions:

-- Is there a waiting list?

-- How long will I have to wait?

-- May I see a model apartment?

After asking these questions, thank the agent and leave.

c) If you are told that one or more apartments are available, take careful note of the following items:

-- The apartment number of each unit.

-- The monthly rent of each unit.

-- The security deposit

-- The terms of the lease

-- What utilities and services are included in the rent

If you are told that one or more apartments are available, ask to see them. If this is not possible, ask to see any other unit, e.g., a model apartment.

(6) Visiting Apartments:

a) Be as natural as you can, and act the way any real apartment hunter would be expected to act. Don't volunteer any information about yourself. Respond to questions with answers consistent with your Site Visit Assignment Form.

b) Be sure to record the apartment number of the apartments you visited.

c) Check the kitchen, bath, closets, etc.

d) If the agent has not volunteered the information, ask about the monthly rent of the unit, the security deposit, and the terms of the lease.

e) In addition, record what the agent said about application procedure, application fee, credit cneck, and length of time to complete the credit check.

(7) Discontinuing the Audit: When you are ready to leave, ask for a business card if you have not been offered one. If the agent doesn't have a card, ask for her or his name. You should not find it difficult to end a rental audit; simply say you are going to look at apartments elsewhere. Don't leave the impression that you are interested in the apartments offered.

(8) Recording Racial Comments: Agents may offer gratuitous comments which appear to be appeals to racial prejudice; e.g., to a white auditor he may say, "You won't have to worry about neighbors who don't fit in; we're careful about whom we show apartments to." Or, to a black auditor he may say, "You'll like it here; there are several other people like you living in the neighborhood." In most instances the comments can be ignored. In some instances, however, comments may be so pointed that a response is required. "I see what you mean" or "Is that so" should suffice. The important thing is to record accurately these apparent racial comments on Audit Report Form No. 2.

(9) Follow-Up: After the audit has been completed, you may still receive calls from agents or managers. A plausible response is to say that you are no longer looking for an apartment.

(10) Office Introduction and Interview -- A central office of a management firm with apartments under management in several parts of the audit area: In making the initial telephone inquiry, it is essential to determine whether the available units and the rental office are at the same address.

a) If the agent's office is at the rental site, proceed as instructed above (Sections 5-9), making use of sound judgment as to what is applicable and appropriate for the given situation.

b) If there is a central rental office, you may be told to speak to the "super," janitor, or resident manager at the rental site. Since you are to audit the individual who bears responsibility for the rental of apartments, this may involve filling out an appplication form at the site or going to the central management office for that purpose. If so, you should follow through as though you were genuinely interested in obtaining an apartment. In any event, proceed as instructed above (Sectons 5-9), making whatever changes are necessary.

11) Office Introduction and Interview -- an owner-occupied house with one or two apartments, duplexes, and houses for rent: In general, these properties have been excluded from the sample. In some cases, however, it was impossible to identify them in advance and, therefore, these types of properties may be included among your assignments. If requested to audit these units, adhere as closely as possible to the procedures identified in Sections 5 through 9 above.

VI. COMPLETING THE AUDIT REPORT FORMS

When you first see the Audit Report Forms, they may seem long, complex, and formidable. After you have practiced filling them out a few times, however, you will not find them difficult, if you follow instructions.

Only by recording your experiences and observations fully and accurately will they be useful to the study. Unfortunately, computers have no intelligance of their own and possess no judgment or common sense. Errors fed into the computer cannot be corrected by the computer. Nor, can the computer fill in omitted data. Study the forms carefully; familiarize yourself with them thoroughly; complete every item.

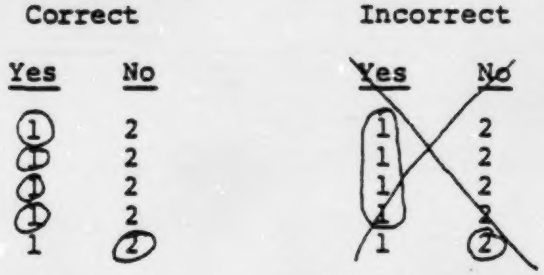
THIS ENTIRE EFFORT WILL HAVE BEEN WASTED IF AUDITORS BECOME CARELESS IN FILLING OUT THEIR AUDIT REPORT FORMS. THE IMPORTANCE OF HAVING EVERY ITEM ON EVERY FORM COMPLETELY AND ACCURATELY FILLED IN CANNOT BE OVERSTATED. AN IMPROPERLY OR INADEQUATELY COMPLETED FORM IS NOT ONLY WASTED; IT JEOPARDIZES THE INTEGRITY OF THE ENTIRE STUDY.

A. Circling Responses

(1) When completing the Audit Report Form, make sure you only circle the response numbers, not the coding or item numbers. (Note the distinctions on page Aud-9.)

(2) Where you are instructed to "Circle one," be sure you circle only one, the most appropriate, response number. If you make a mistake, cross it out and circle the correct response.

(3) Where you are instructed to circle more than one sub-item, circle each response separately, e.g.:



(4) Choose that response which most closely describes your experience. Avoid circling the "other" response if the answer can possibly be fitted into one of the categories. If you find it necessary to circle "other," in the space provided, specify what you mean. Remember, the computer cannot make a judgment about what "other" means.

(5) Do not make any entries in boxes marked "For Office Use Only."

(6) Narrative reporting of your experiences and observations is provided for at the end of Forms 1 and 2. You are encouraged to write out in your own words anything you observe or experience which you are otherwise unable to record completely on your Audit Report Forms. Keep in mind, however, that narrative reports will be of no value unless the coded sections of the Audit Report Forms are completely and accurately filled out. NARRATIVE REPORTS ARE A SUPPLEMENT TO -- NOT A SUBSTITUTE FOR -- YOUR CODED RESPONSES.

(7) If you are presented with items of descriptive literature, etc., write the full control number on each item and make sure they are filed with the audit report forms.

B. Names, Addresses and ZIP Codes

Names of management firms, broker's firms, and individual agents are very important for comparing the experiences of you and your teammate. Addresses are even more important. Since almost every city has some street names which are similar, it is crucial that all addresses be complete, accurate, and legible (e.g., it would be easy to confuse Devlin Street, Devlin Lane, and Devlin Court).

ZIP Codes will be very helpful for double-checking census tract data.

C. Control Number

The control number has been explained on page Aud-8. Please be sure that this number is correctly entered into the appropriate space in the upper right corner of every page before beginning your audit. This is essential for data processing of the completed Audit Report Forms.

D. Census Tract Number

Your Audit Supervisor will post census tract and ZIP Code maps on a wall in his or her office, making them readily accessible to you when you turn in your completed forms. You are required to identify the census tracts of all addresses covered by an audit -- both of the office visited and of housing units offered or inspected -- through use of the following procedures:

(1) Notations on Census Tract Maps: Write the last five digits of each audit control number on the census tract map(s) in the Audit Supervisor's office. Locate every address recorded on the Audit Report Form in the appropriate census tract; however, you should enter your control number in a particular census tract only once, even though more than one address for that tract is recorded on your Audit Report Forms.

(2) Notations on Audit Report Forms: After identifying the location of all addresses recorded on your Audit Report Forms on the census tract map(s), enter the census tract numbers into the appropriate spaces on the Audit Report Forms.

BE ACCURATE!

(3) Census Tract Designations: The census tract item consists of four spaces before the decimal points and two spaces after the decimal point. Be sure that you record census tract(s) accurately from census tract map(s), including the proper placement of the decimal point. For example, 63 should be recorded as 0 0 6 3. 0 0; 12.07 should be recorded as 0 0 1 2. 0 7; 8.00 should be recorded as 0 0 0 8. 0 0.

VII. THE VOCABULARY OF REAL ESTATE

You will appear more credible as a bona fide homeseeker if you have some understanding of how real estate transactions are conducted. This will be especially important for sales housing. While some auditors may be familiar with basic terminology, others may not be. Included with this manual are two booklets -- "Home Buyer's Vocabulary," and "A Typical Real Estate Transaction." Study these and become familiar with the terms and procedures described therein.

VIII. PLAYING YOUR ROLE/"VIGNETTES"

The most difficult part of auditing will be that of playing the role of a bona fide homeseeker. Role-playing is best learned by observation and practice and will constitute a major part of your training. In previous audits role-playing has proved invaluable in equipping auditors to deal with the unexpected, e.g., what to do if you run into an acquaintance who recognizes you while you are performing an audit.

"Vignettes," which accompany this manual, feature some typical experiences auditors have had in the past. They may provide you with some guidance of how to deal with similar situations which you may encounter.

IX. AUDITOR'S LOG SHEET

You will be provided with a set of "log sheets." These sheets will provide a record of your performance and, along with the Audit Supervisor's Control Chart, will serve as the basis for computing the amount you are paid for your work. Enter the control number for each audit assignment along with the assignment date in the appropriate columns. Enter the number of house inspections for sales audits only, not for apartment inspections. Be sure to have your log sheet with you when you are debriefed by your Audit Supervisor.

Your Audit Supervisor will initial the appropriate column to signify that an audit assignment has been satisfactorily completed. When turning in your follow-up forms, make sure it is noted by the Audit Supervisor (or assistant) on both your log sheet and on the Audit Supervisor's Control Chart.

X. HOW AUDITORS WILL BE PAID

You will be paid $50.00 for completing all aspects of the training program, including two practice audits and participating in the subsequent individual and group debriefings. Such payment will not be made, however, unless you also complete whatever minimum number of Audit Units have been specified by your Supervisor. You will be paid on a unit basis for each completed audit assignment.

* * * * * * * * *

CONSULT THIS MANUAL FREQUENTLY ** REMEMBER ** IT IS TO BE USED AS A REFERENCE THROUGHOUT THIS PROJECT. THIS MANUAL, ALONG WITH ALL OTHER AUDIT MATERIALS YOU ARE PROVIDED, ARE TO BE RETURNED AT THE END OF THIS PROJECT. READ ALL THE MATERIAL INCLUDED WITH THIS MANUAL.

VIGNETTES

What Do I Do If ----?

The following "vignettes" are all based upon experiences that have occurred while audits were in process or upon questions that have arisen during training sessions. How to respond to such dilemmas when they arise must, to a large extent, be left to the ingenuity of the auditor. The answers and suggestions supplied here are intended to be helpful as aides to playing a role. They are not firm instructions. Each auditor must develop his or her own style for meeting situations of this nature.

1. (Q) You're recognized by a friend in the real estate office?

(A) A Friend says, "Elsie, I didn't know you were looking for a house!"

Auditor says, "Why Jane, I didn't know you were either. I didn't think I was myself until just a day or two ago. But then (Whatever is most appropriate to personal circumstances.)

... Harry got a raise and we decided we might as well look for something nicer."

... We decided that Joey really needed a better school."

... We got tired of being so cramped."

... We got tired of having to hassle that landlord for everything."

(The auditor should be equipped with a couple of appropriate answers in advance.) He/she should end by saying: "Isn't it funny how we seem to make some of the most important decisions in life on the spur of the moment!"

If the friend should be a tenant in the audited complex, the first part should be omitted. ("I didn't know you were either.") Say something like: "Why Jane, I didn't expect to bump into you. Can we talk a bit later about how you like it here?" The main thing is not to give any impression that the auditor's visit is not legitimate. Surprise at bumping into a friend is OK in itself.

2. The Agent says, "Are you a tester by any chance?"

   (a) Do not answer directly. Ask a question instead.

   "What's a tester?"

   Show that the concept is incomprehensible to you.

   "A what?, What's that"

3. (Q) The Agent says, "Sorry, I'm tied up all day but I'd really like you to come back this weekend so we can look at several houses. When can you and your husband come out?"

(A) "I'd like to talk to someone who is not tied up, another agent perhaps."

-or-

"My husband wishes me to pick out what I like and then he'll look at the house whenever I make up my mind."

-or-

"This weekend will be fine. My husband/wife might not be able to make it 'cause he's looking at houses too" (or excuse the husband/wife with some other ruse).

"But I'll be there for sure"

(Then to take some initiative, suggest a time)

"Would 3:00 this Saturday be O.K.?"

(The tactic here is to be a little 'iffy' about the husband/wife arrival but to pursue an appointment. For an alternative, 'beg-off' another way and try for a weekday appointment, when the husband is at work of course.)

4. (Q) You are asked to submit an application fee (or security deposit)?

(A) "I want to look at some more apartments before I make a decision."

- or -

"I have to discuss it with my (spouse) first."

5. (Q) A different apartment is available than what you suggested for a preference or than what you anticipated?

(A) Suggest that you may "store what little furniture you have" (to be serious about their furnished apt.), or, for the opposite situation, suggest you are willing to furnish an apartment," (to be serious about their unfurnished apt.)

Both team members should decide in advance how they will handle this situation to standardize their test.

6. (Q) If the agent asks why you're planning to move?

(A) "I am just looking for a nice place to live." "The apartment we have now is always cold (poorly insulated, etc.) in the winter time." (This is, of course, most appropriate reason for moving in northern areas.)

"I (or my spouse) want to be closer to work." (This assumes, of course, that the audited site location is in fact closer to your stated place of employment than is your present residence.)

7. (Q) If the agent asked why you are interested in buying a house?

(A) "We've always wanted a house of our own but hadn't thought we could afford one before."

-or-

"We're just plain tired of apartment-house living, having to keep hounding the landlord (or "super") for repairs, listening to the neighbors' family fights through paper-thin walls, and all the rest of it."

"We've finally decided that, with the existing income tax advantages and the way home prices keep going up, we would be further ahead in the long-run by owning instead of renting."

-or-

"The way prices keep rising, it looks like we had better buy now because it will be impossible to buy a house in a few years."

8. (Q) If the agent says "You wouldn't want to live in a racially-mixed neighborhood (or to have blacks living next door, or to live in a predominantly minority neighborhood, etc.)" or if asked racially-leading questions?

   (A) Try to ignore them. But, if you feel a response must be made, say something vague like: "I guess we really haven't thought much about it before." or "Oh really."

9. (Q) If the agent asks why you want to live in the requested neighborhood?

   (A) "I want to live away from the downtown area."

   -or-

   "I want to live closer to downtown."

   -or-

   "I heard the schools are good."

   -or-

   "We have heard that house prices are reasonable (or, at least, not too exhorbitant) in that area."

10. (Q) If the agent asks how you plan to sell your old house assuming you own your own home and have given your present actual address), you can say:

(A) "I have a standing offer from my neighbor to buy my house, whenever I decide to sell; he has a relative who wants it."

11. (Q) If the agent asks you to make selections from his listed houses for sale?

(A) Try to have him or her make recommendations to you. You can say, for example:

"I've never looked for a house before and really don't know what to look for. Would you mind recommending something?

-or-

"These listings all look good; you undoubtedly have a better idea of what might be a good buy than I do, so why don't you make some suggestions?"

-or-

"Other than where to look, how many bedrooms we need, and what we think we can afford, we really haven't decided (agreed) upon precisely what type of house we want. It depends upon what we see. Can you make a suggestion?"

"One really can't tell much from a picture and brief description, so why don't you make some suggestions; you know these properties."

-or-

"When I bought my first house, I took my agent's advice and wasn't disappointed, so I might as well do it again. What do you recommend?"

-or-

"I just visited my brother back in ______________. He put himself in the hands of a real estate broker and got a good deal on a house, so I might as well do the same thing. Would you mind recommending something?"

-or-

"You know your properties better than I do, so I'd appreciate it if you'd recommend something to me."

12. (Q) If the rental manager doesn't indicate whether or not a credit check is required?

(A) You can probe for this information in several ways but there is no reason you can't ask directly:

"Do you require a credit check?"

13. (Q) If you feel the need to explain why you're looking at a particular apartment or apartment complex?

(A) You could simply say something on the order of: "I was in the area, and this looks like a pretty nice place (or a nice location, etc.)"

14. (Q) If you have difficulty remembering such things as addresses and prices of houses and apartments?

(A) You can write down such information casually and naturally by:

Using the back of an old envelope or other scratch paper available in pocket or purse.

-or-

Using the back of literature (e.g., floor plans offered for rental units) or a business card offered by the agent.

-or-

Asking the salesperson to jot down the information for you, saying for example: "I'm afraid I'll forget which price goes with which house or which house is located where. Will you please jot this information down on a slip of paper for me so I'll remember it until I get home?"

CONTROL NO.: ___ - 2 - ___ - _

HOUSING MARKET PRACTICES SURVEY
RENTAL AUDIT REPORT
FORM NO. 2

REFERENCE COMPLEX OR BUILDING ______________________________
(name)

______________________________ Tel.______________
(number) (street)

____
(political jurisdiction) (ZIP Code)

AGENT'S NAME, ADDRESS, AND TELEPHONE NUMBER ______________________________
(name)

______________________________ Tel. ______________
(number) (street)

____
(political jurisdiction) (ZIP Code)

AUDITOR'S NAME ______________________________ AUDITOR NO. ____________

RENTAL AUDIT REPORT # 2

CONTROL NO.: _ _ _ - 2 - _ _ _ - _
1 8

For Office Use Only

9-10 Household Income Class ☐☐

11 Auditor's Occupation Code ☐

12 Spouse's Occupation Code ☐

13 Persons in Household: 1 2 3 4 5 6 7

14-15 Reference Housing Price Class: ☐☐

16-20 Reference County Code: ☐☐☐☐☐

21 Number of Children: 0 1 2 3 4 5

22 Age of Youngest Child:
1 Under 6
2 6 - 11
3 12 - 17
4 None under 18

Marital Status: 1 Married 23
2 Single

Age of Auditor: 24
1 Under 25
2 25-29
3 30-34
4 35-39
5 40-44
6 45-49
7 50-54
8 55-59
9 60-64
10 65 or older

Sex of Auditor: 25
1 Male
2 Female

Auditor Number: _ _ 26-27

28-33 Date audit begun: ________ month ________ day ________ year

34-39 Time entered agent's office: ______ Hr : ______ Min : ______ AM or PM

40-45 Time completed audit, including apartment inspections: ______ Hr : ______ Min : ______ AM or PM

46-49 If not completed on same date, indicate completion date here: ________ month ________ day

50-55 Time audit form completed: ______ Hr : ______ Min : ______ AM or PM

56-61 Census Tract: _ _ _ _ . _ _

For Office Use Only

62 Did other auditor see the same agent (CIRCLE ONE):
1 Yes 2 No 3 Don't know

63 Does the agent appear to live in the apartment building or complex (CIRCLE ONE):
1 Yes 2 No 3 Don't know

RENTAL AUDIT REPORT
2

CONTROL NO.: ___ - 2 - ___ - _

FOR ALL ITEMS, CIRCLE THE ANSWER WHICH IS MOST APPROPRIATE

64 1. When you entered the office, were you (CIRCLE ONE):

1 Greeted by secretary or receptionist and referred to rental agent
2 Greeted by secretary or receptionist and referred to someone else
3 Greeted by rental agent and interviewed by same agent
4 Greeted by rental agent and referred to someone else
5 Greeted by person identifying self as manager or head of firm and referred to someone else
6 Greeted by person identifying self as manager or head of firm and interviewed by same
7 Required to make the first approach, then greeted
8 Ignored, even after I made approach
9 Other (specify) ________________________________

65 2. From the time you entered the office, how long did you wait to be interviewed (CIRCLE ONE):

1 Less than 5 minutes
2 5 minutes or more, but less than 10 minutes
3 10 minutes or more, but less than 15 minutes
4 15 minutes or more, but less than 20 minutes
5 20 minutes or more, but less than 30 minutes
6 Asked to return at a more convenient time
7 Asked to leave without being invited to return
8 Left office after waiting for 30 minutes without being interviewed
9 Other (specify) ________________________________

66 3. How many employees were visible in office (CIRCLE ONE):

1 One or two employees
2 Three to five employees
3 Six to nine employees
4 Ten or more employees

67 4. How many customers (exclusive of yourself) were visible in office (CIRCLE ONE):

1 No other customers
2 One or two customers
3 Three to five customers
4 Six or more customers

68 5. About how many units do you estimate there are in the building or complex (if more than one building) (CIRCLE ONE):

1 Four units or less
2 Five to nineteen units
3 Twenty to ninety-nine units
4 One hundred or more units
5 Cannot estimate number

6. Did anyone in the office do any of the following for you (CIRCLE 1 FOR YES OR 2 FOR NO FOR EACH SUB-ITEM):

	Yes	No	
69	1	2	a. Offer you something to drink, cigarettes, reading matter, etc.
70	1	2	b. Offer you literature on available apartments or renting in genera
71	1	2	c. Ask you to be seated
72	1	2	d. Chat with you informally while waiting
73	1	2	e. Other act of courtesy (specify) ________________________________

RENTAL AUDIT REPORT
2

CONTROL NO.: ___ - 2 - ___ - _

74 7. Which of the following best describes the place where you were interviewed before being shown any apartments (CIRCLE ONE):

1 An apartment in which the agent resides
2 A "model apartment" in which no one regularly resides
3 A room with one or more desks and no separate rooms or partitions
4 A room with one or more desks separated by partitions
5 A suite of private offices with a reception area (e.g., apartment converted to office use)
6 Other (specify) ______________________

8. Did the agent who interviewed you do any of the following (CIRCLE YES OR NO FOR EACH):

	Yes	No	
75	1	2	a. Introduce self to you by name
76	1	2	b. Offer you a business card
77	1	2	c. Ask your name
78	1	2	d. Address you by a courtesy title during interview (Mr.,Mrs.,etc.)
79	1	2	e. Shake your hand
80	1	2	f. Ask you to be seated
81	1	2	g. Offer other acts of courtesy (specify) ______________________

82 9. Did the agent request (either verbally or in written form) any information about your housing needs (CIRCLE ONE):

1 Yes 2 No

9a. IF YES, specify ______________________

83 10. Did the agent request any information about your income (CIRCLE ONE):

1 Yes 2 No

10a. IF YES, specify ______________________

84 11. Did the agent request any information about your assets other than income (CIRCLE ONE):

1 Yes 2 No

85 12. Did the agent request any information about debts or other obligations (for example, child support) (CIRCLE ONE):

1 Yes 2 No

86 13. Did the agent request any information about your employment (CIRCLE ONE):

1 Yes 2 No

87 14. Did the agent request any references (e.g., your present landlord, bank, creditors, or friends) (CIRCLE ONE):

1 Yes 2 No

CONTROL NO.: ___ - 2 - ___ - _

15. Did the agent request any of the following information about how you could be reached (CIRCLE YES OR NO FOR EACH):

	Yes	No	
88	1	2	a. Telephone number
89	1	2	b. Address
90	1	2	c. Other (specify)________________

91 16. If the agent requested any of the above information (Items 9 through 15), did (s)he record any of this information or ask you to record it (CIRCLE ONE):

1 Yes, on what appeared to be a standard printed or duplicated form, a file card, log book, etc.
2 Yes, but not on a standard printed or duplicated form, file card, log book, etc.
3 No, did not record even though agent requested information
4 No, agent did not request any information

92 17. Did the agent state at any time that you might be unqualified to rent an apartment (CIRCLE ONE):

1 Yes 2 No

93 18. When you inquired about apartment availability, what did the agent tell you (CIRCLE ONE):

1 That something was available now
2 That something would be available within the next month
3 That something would be available, but only after a month
4 That (s)he was not sure whether something was available
5 That nothing was available
6 Did not answer the question
7 Other (specify) ________________

IF YES (YOU CIRCLED 1 OR 2), ANSWER 18a

94 18a. If something was available, was it either your first or second choice (CIRCLE ONE):

1 Yes 2 No

95 19. What did the agent say about lease requirements (CIRCLE ONE):

1 No lease required
2 Must sign lease for up to one year
3 Must sign lease for more than one year
4 Said he did not know about lease
5 No apartment was available; therefore, no discussion about lease

96 20. Was lease information volunteered by the agent (CIRCLE ONE):

1 Yes 2 No

97 21. What did the agent say about security deposit (CIRCLE ONE):

1 No security deposit required
2 Security deposit required--less than one month's rent
3 Security deposit required--one month's rent
4 Security deposit required--more than one month's rent
5 Said he did not know about security deposit
6 No apartment was available; therefore, no discussion about security deposit

RENTAL AUDIT REPORT
2

CONTROL NO.: ___ - 2 - ___ - _

98 22. Was security deposit information volunteered by the agent (CIRCLE ONE):

1 Yes
2 No

23. For each of the first three apartments suggested as serious possibilities by the agent in his office, give the following information:

APARTMENT # 1

a. Location: ______________________________
(number) (street)

99-102 b. Apartment number: _______

103-108 c. Census Tract _ _ _ _ . _ _

109-113 d. Monthly rental (exact amount): $ _ _ _ . _ _

114-123 (if range given) $ _ _ _ . _ _ to $ _ _ _ . _ _

124 e. Number of bedrooms (CIRCLE ONE):

1 No bedrooms
2 One bedroom
3 Two bedrooms
4 Three or more bedrooms

For Office Use Only

125 (Lowest figure only)

1 Under $100
2 $100-124
3 $125-149
4 $150-199
5 $200-249
6 $250-299
7 $300-349
8 $350-399
9 $400-449
10 $450-499
11 $500 or more

126 Other auditor told about this apartment: 1 Yes 2 No 3 Not sure

127 Other auditor told about apartment in this building or complex: 1 Yes 2 No 3 Not sure

128-132 County Code: ☐☐☐☐☐

APARTMENT # 2

a. Location: ______________________________
(number) (street)

133-136 b. Apartment number: _________

137-142 c. Census Tract _ _ _ _ . _ _

143-147 d. Monthly rental (exact amount): $ _ _ _ . _ _

148-157 (if range given) $ _ _ _ . _ _ to $ _ _ _ . _ _

158 e. Number of bedrooms (CIRCLE ONE):

1 No bedrooms
2 One bedroom
3 Two bedrooms
4 Three or more bedrooms

For Office Use Only

159 (Lowest figure only)

1 Under $100
2 $100-124
3 $125-149
4 $150-199
5 $200-249
6 $250-299
7 $300-349
8 $350-399
9 $400-449
10 $450-499
11 $500 or more

160 Other auditor told about this apartment: 1 Yes 2 No 3 Not sure

161 Other auditor told about apartment in this building or complex: 1 Yes 2 No 3 Not sure

162-166 County Code: ☐☐☐☐☐

RENTAL AUDIT REPORT
# 2

CONTROL NO.: ___ - 2 - ____ - _

APARTMENT # 3 a. Location: ______________________________
(number) (street)

167-170 b. Apartment number: ____

171-176 c. Census Tract ____ . __

177-181 d. Monthly rental (exact amount): $ ___ . __

182-191 (if range given) $ ___ . __ to $ ___ . __

192 e. Number of bedrooms (CIRCLE ONE):

1 No bedrooms
2 One bedroom
3 Two bedrooms
4 Three or more bedrooms

For Office Use Only

193 (Lowest figure only)
1 Under $100
2 $100-124
3 $125-149
4 $150-199
5 $200-249
6 $250-299
7 $300-349
8 $350-399
9 $400-449
10 $450-499
11 $500 or more

194 Other auditor told about this apartment: 1 Yes 2 No 3 Not sure

195 Other auditor told about apartment in this building or complex: 1 Yes 2 No 3 Not sure

196-200 County Code: ☐☐☐☐☐

201 24. How many apartments in all were volunteered to you as serious possibilities (CIRCLE ONE):

1 No apartments
2 One apartment
3 Two apartments
4 Three apartments
5 Four or five apartments
6 Six or more apartments

202 25. How many apartments were you invited by the agent to inspect on the inside (CIRCLE ONE):

1 No apartments
2 One apartment
3 Two apartments
4 Three apartments
5 Four or five apartments
6 Six or more apartments

203 26. How many apartments did you actually inspect (CIRCLE ONE):

1 No apartments
2 One apartment
3 Two apartments
4 Three apartments
5 Four or five apartments
6 Six or more apartments

IF YOU DID NOT INSPECT AT LEAST ONE APARTMENT (YOU CIRCLED 1), EXPLAIN WHY

____

____

204 27. Did the agent offer to put you on a waiting list (CIRCLE ONE):

1 Yes, voluntarily
2 Yes, but only after you asked him about a waiting list
3 No, because no waiting list kept, refused, etc.
4 No, because unit was available or would be at a given date
5 Other (specify) ______________________________

27. (continued) IF YES (YOU CIRCLED 1 OR 2), ANSWER 27a AND 27b

205 27a. What type of form did agent use to put your name on a waiting list (CIRCLE ONE):

1 A printed or duplicated "standardized" form
2 A "standard" file card
3 A "non-standard" form (e.g. back of envelope, scratch pad)
4 Agent did not write your name down

206 27b. How long would you have to wait for an apartment (CIRCLE ONE):

1 One month or less
2 Two or three months
3 More than three months
4 Agent would not say how long

207 28. Did the agent invite you to file an application (CIRCLE ONE):

1 Yes 2 No

IF YES (YOU CIRCLED 1), ANSWER 28a AND 28b

208 28a. Would an application fee be required to accompany the application (CIRCLE ONE):

1 Yes 2 No

209-213 28b. How much would the application fee be? Give exact amount: $ ___ . __

214 29. Did the agent say that a credit check was required (CIRCLE ONE):

1 Yes 2 No

IF YES (YOU CIRCLED 1), ANSWER 29a

215 29a. How long would the credit check take (CIRCLE ONE):

1 Up to one week
2 More than one week but less than one month
3 One month or longer
4 Did not say how long it would take

216 30. Did agent mention that blacks do not now live in the building or complex or are not moving into it (CIRCLE ONE):

1 Yes 2 No

217 31. Did the agent mention that blacks are now living in the building or complex or are moving into it (CIRCLE ONE):

1 Yes 2 No

218 32. Did the agent make any reference about blacks, including use of "code words" (CIRCLE ONE):

1 Yes
2 No
3 Not sure

IF YES OR NOT SURE (YOU CIRCLED 1 OR 3), EXACTLY WHAT DID HE SAY

____

____

219 33. Did you observe any blacks who appeared to be tenants in the apartment building or complex (CIRCLE ONE):

1 Yes
2 No
3 Saw blacks, but not sure they were tenants

220 34. Did agent invite you to call back (CIRCLE ONE):

1 Yes
2 No

221 35. What was the race of the agent (CIRCLE ONE):

1 White
2 Black
3 Other (specify) ____________________

222 36. What was the sex of the agent (CIRCLE ONE):

1 Male
2 Female

223 37. What was the probable age of the agent (CIRCLE ONE):

1 Under 35 years
2 35-49 years
3 50 years or more

FILL OUT AND ATTACH FORM 2A FOR EACH APARTMENT ACTUALLY INSPECTED.

RENTAL AUDIT REPORT
2

CONTROL NO.: ___ - 2 - ___ - _

IN YOUR OWN WORDS, PLEASE DESCRIBE BELOW ANY EXPERIENCES WHICH YOU WERE NOT ABLE TO RECORD ADEQUATELY ELSEWHERE ON THIS AUDIT FORM. USE OTHER SIDE OF SHEET IF NECESSARY.

SUPPLEMENTARY RENTAL
AUDIT REPORT # 2A

CONTROL NO.: ___ - 2 - ___ - _
1 8

9-12 A1. Address ______________________________
(Apt. No.) (Name of Building or Complex)

____
(number) (street)

____
(political jurisdiction) (zip code)

13 A2. How is this apartment identified in Form No. 2 (CIRCLE ONE):

1 Apartment #1
2 Apartment #2
3 Apartment #3
4 Not identified, is "model apartment"
5 Not identified, said to be similar to available apartment
6 Other (specify) ______________________________

____

A3. Does monthly rental include any of the following utilities, features or services (CIRCLE YES OR NO FOR EACH):

	Yes	No	
14	1	2	a. Electricity
15	1	2	b. Heat
16	1	2	c. Air conditioning
17	1	2	d. Telephone answering service
18	1	2	e. Laundry facilities on premises
19	1	2	f. Parking
20	1	2	g. Recreational facilities (e.g., swimming pool, tennis courts, activities or party room)
21	1	2	h. Security guard, closed circuit television, alarms, etc.
22	1	2	i. Other (specify) ______________________________

____

A4. Did the agent play up good points about the apartment? Specifically, did (s)he cite one or more of the following (CIRCLE YES OR NO FOR EACH):

	Yes	No	
23	1	2	a. Privacy or quiet location
24	1	2	b. Apartment has been redecorated recently
25	1	2	c. Construction of building is good
26	1	2	d. Utility costs will be low
27	1	2	e. Appliances are new or nearly new
28	1	2	f. Layout of rooms is good
29	1	2	g. Apartment is spacious
30	1	2	h. Convenient parking
31	1	2	i. Good quality of other occupants
32	1	2	j. Other positive remarks (specify) ______________________________

____

33 A5. Did the agent "talk the apartment down" (CIRCLE ONE):

1 Yes 2 No

A6. Did the agent speak positively about the complex or neighborhood? Specifically, did he or she mention (CIRCLE YES OR NO FOR EACH):

	Yes	No	
34	1	2	a. Good transportation
35	1	2	b. Good neighbors
36	1	2	c. Close to shopping, cultural activities, near "center of things," etc.
37	1	2	d. Close to places of employment
38	1	2	e. Convenient parking
39	1	2	f. Quiet location
40	1	2	g. Pleasant surroundings, trees, parks
41	1	2	h. Well-maintained buildings and homes
42	1	2	i. Safety
43	1	2	j. Other positive remarks (specify)____________________________

44 A7. Did the agent speak negatively about the complex or neighborhood (CIRCLE ONE):

1 Yes 2 No

A8. When you visited the apartment, did you notice (CIRCLE YES OR NO FOR EACH):

	Yes	No	
45	1	2	a. Poor condition on outside, such as peeling paint, poorly maintained lawn or yard, cracked or broken siding or steps
46	1	2	b. Poor condition on inside, such as scuffed or soiled paint, cracked plaster, leaks in ceiling, etc.
47	1	2	c. Other evidence of poor condition (specify)________________

A9. When you visited the neighborhood, was the apartment (CIRCLE YES OR NO FOR EACH):

	Yes	No	
48	1	2	a. In a noisy area (e.g., near busy street or highway, airport, railroad, or heavy industry)
49	1	2	b. In a deteriorating area (e.g., surrounded by poorly maintained houses and yards)
50	1	2	c. Other negative features (specify)__________________________

CONTROL NO.: ___ - 1 - ___ - _

HOUSING MARKET PRACTICES SURVEY
SALES AUDIT REPORT
FORM NO. 1

BROKER'S FIRM NAME AND ADDRESS ____________________ (name)

____________________ Tel. ________
(number) (street)

____
(political jurisdiction) (ZIP Code)

AGENT'S NAME, ADDRESS, AND TELEPHONE NUMBER, if not same as firm ____________________ (name)

____________________ Tel. ________
(number) (street)

____
(political jurisdiction) (ZIP Code)

AUDITOR'S NAME ____________________ AUDITOR NO. ________

SALES AUDIT REPORT
1

CONTROL NO.: _ _ _ - 1 - _ _ _ - _
1 8

For Office Use Only

9-10 Household Income Class ☐☐

11 Auditor's Occupation Code ☐

12 Spouse's Occupation Code ☐

13 Persons in Household: 1 2 3 4 5 6 7

14-15 Reference Housing Price Class: _ _

16-20 Broker's County Code: _ _ _ _ _

21 Number of Children: 0 1 2 3 4 5

22 Age of Youngest Child:

1 Under 6
2 6-11
3 12-17
4 None under 18

Marital Status: 1 Married 23
2 Single

Age of Auditor: 24

1 Under 25
2 25-29
3 30-34
4 35-39
5 40-44
6 45-49
7 50-54
8 55-59
9 60-64
10 65 or older

Sex of Auditor: 25

1 Male
2 Female

Auditor Number: _ _ 26-27

28-33 Date audit begun: ________ month ________ day ________ year

34-39 Time phoned for appointment: ____ Hr : ____ Min : ____ AM or PM

40 Was office locked when you arrived and remained so for at least ten minutes (CIRCLE ONE):

1 Yes 2 No

IF OFFICE LOCKED (YOU CIRCLED 1), DO NOT ATTEMPT TO COMPLETE AUDIT

41-46 Time entered broker's office: ____ Hr : ____ Min : ____ AM or PM

47-52 Time completed audit, including property inspections: ____ Hr : ____ Min : ____ AM or PM

53-56 If not completed on same date, indicate completion date here: ____ month ____ day

57-62 Time audit form completed: ____ Hr : ____ Min : ____ AM or PM

63-68 Census Tract: _ _ _ _ . _ _

For Office Use Only

69 Did other auditor see the same agent (CIRCLE ONE):
1 Yes 2 No 3 Don't Know

SALES AUDIT REPORT
1

CONTROL NO.: ___ - 1 - ___ - _

FOR ALL ITEMS CIRCLE THE ANSWER WHICH IS MOST APPROPRIATE

70 1. When you entered the office, were you (CIRCLE ONE):

1 Greeted by secretary or receptionist and referred to salesperson
2 Greeted by secretary or receptionist and referred to someone else
3 Greeted by salesperson and interviewed by same salesperson
4 Greeted by salesperson and referred to someone else
5 Greeted by person identifying self as manager or head of firm and referred to someone else
6 Greeted by person identifying self as manager or head of firm and interviewed by same
7 Required to make the first approach, then greeted
8 Ignored, even after I made approach
9 Other (specify) ____

____

71 2. From the time you entered the office, how long did you wait to be interviewed (CIRCLE ONE):

1 Less than 5 minutes
2 Five minutes or more but less than 10 minutes
3 Ten minutes or more, but less than 15 minutes
4 Fifteen minutes or more, but less than 20 minutes
5 Twenty minutes or more, but less than 30 minutes
6 Asked to return at a more convenient time
7 Asked to leave without being invited to return
8 Left office after waiting for 30 minutes without being interviewed
9 Other (specify) ____

____

72 3. How many employees were visible in office (CIRCLE ONE):

1 One or two employees
2 Three to five employees
3 Six to nine employees
4 Ten or more employees

73 4. How many customers (exclusive of yourself) were visible in office (CIRCLE ONE):

1 No other customers
2 One or two customers
3 Three to five customers
4 Six or more customers

5. Did anyone in the office do any of the following for you (CIRCLE 1 FOR YES OR 2 FOR NO FOR EACH SUB-ITEM):

	Yes	No	
74	1	2	a. Offer you something to drink, cigarettes, reading matter, etc.
75	1	2	b. Offer you literature on homes available or on home buying in general
76	1	2	c. Ask you to be seated
77	1	2	d. Chat with you informally while waiting
78	1	2	e. Other act of courtesy (specify) ________________________

____

SALES AUDIT REPORT
1

CONTROL NO.: ___ - 1 - ___ - _

79 6. Which of the following best describes the place where you were interviewed (CIRCLE ONE):

1 A room with one or more desks and no separate rooms or partitions
2 A room with one or more desks separated by partitions
3 A private office
4 Other (specify) ______________________________

7. Did the agent who interviewed you do any of the following (CIRCLE YES OR NO FOR EACH):

	Yes	No	
80	1	2	a. Introduce self to you by name
81	1	2	b. Offer you a business card
82	1	2	c. Ask your name
83	1	2	d. Address you by a courtesy title during interview (Mr.,Mrs.,etc.)
84	1	2	e. Shake your hand
85	1	2	f. Ask you to be seated
86	1	2	g. Offer other acts of courtesy (specify) ______________

8. Did the agent request (either verbally or in written form) any of the following information about your housing needs (CIRCLE YES OR NO FOR EACH):

	Yes	No	
87	1	2	a. Price or price range
88	1	2	b. Size
89	1	2	c. Location by neighborhood or jurisdiction
90	1	2	d. Style or type of housing
91	1	2	e. Special features or amenities of house (e.g., garage, basement, yard space) (specify) ______________
92	1	2	f. Special features or amenities in neighborhood (specify)_
93	1	2	g. Down payment able to make
94	1	2	h. Type of financing desired
95	1	2	i. Other (specify)______________

96 9. Did the agent request any information about your income (CIRCLE ONE):

1 Yes 2 No

97 10. Did the agent request any information about your spouse's income (CIRCLE ONE):

1 Yes 2 No

SALES AUDIT REPORT
1

CONTROL NO.: ___ - 1 - ___ - _

98 11. Did the agent ask about ownership of another house which you plan to sell (CIRCLE ONE):

1 Yes 2 No

99 12. Did the agent request any information about debts or other obligations (for example, child support) (CIRCLE ONE):

1 Yes 2 No

13. Did the agent request any of the following information about your employment (CIRCLE YES OR NO FOR EACH):

	Yes	No	
100	1	2	a. Occupation
101	1	2	b. Name of present employer or where you work
102	1	2	c. How long with present employer
103	1	2	d. Other (specify)____

____

104 14. Did the agent request any information about your spouse's employment (CIRCLE ONE):

1 Yes 2 No

105 15. Did the agent request any information about references (for example, present landlord, bank, charge accounts) (CIRCLE ONE):

1 Yes 2 No

16. Did the agent request any of the following information about how you could be reached (CIRCLE YES OR NO FOR EACH):

	Yes	No	
106	1	2	a. Telephone number
107	1	2	b. Address
108	1	2	c. Other (specify)____

____

109 17. If the agent requested any of the above information (Items 8 through 16), did (s)he record any of this information or ask you to record it (CIRCLE ONE):

1 Yes, on what appeared to be a standard printed or duplicated form, file card, a log book, etc.
2 Yes, but not on a standard printed or duplicated form, file card, log book, etc.
3 No, did not record even though agent requested information
4 No, agent did not request any information

SALES AUDIT REPORT
1

CONTROL NO. _ _ _ - 1 - _ _ _ - _

110 18. What did the agent say about mortgage financing (CIRCLE ONE):

1 That (s)he would obtain financing for you
2 That (s)he would assist you in obtaining financing
3 That you would have to obtain financing on your own
4 No mention of financing
5 Other (specify) ______________________________

111 19. Did the agent state at any time that mortgage financing would be difficult to obtain (CIRCLE ONE):

1 Yes 2 No

112-115 20. What did the agent say the going interest rate was? Give lowest amount cited: _ _ . _ _ %

116 21. When you inquired about housing availability of the specified price, size, and neighborhood, what did the agent tell you (CIRCLE ONE):

1 That one or more suitable houses were available for immediate inspection (i.e., day of audit or within day or two)
2 That one or more suitable houses would be available for inspection at some time later, but not right away
3 That one or more houses were available in the specified neighborhood, but not of the requested price or size
4 That nothing was available in the specified neighborhood, but one or more houses in other neighborhoods were available
5 That (s)he did not have any houses which (s)he could show you
6 She or he did not answer the question
7 Other (specify)______________________________

____

117 22. Did the agent offer you a multiple listing book or similar directory of homes (CIRCLE ONE):

1 Yes 2 No

IF YES (YOU CIRCLED 1), ANSWER 22a

118 22a. If the agent showed you a multiple listing book or similar directory of homes, did (s)he (CIRCLE ONE):

1 Suggest one or more houses to you
2 Suggest some houses and urge you to pick others
3 Urge you to pick out one or more houses
4 Other (specify) ______________________________

____

IF NO (YOU CIRCLED 2), ANSWER 22b ON PAGE 6

CONTROL NO.: ___ - 1 - ___ - _

119 22b. If the agent did not show you a multiple listing book or similar directory of homes, did (s)he (CIRCLE ONE):

1 Tell you about one or more houses, and offer to let you see them
2 Tell you about one or more houses, but you had to ask to see them
3 Suggest you drive around the neighborhood and look for houses for sale which might interest you
4 Other (specify) ____________________

____

120 23. How many houses in all were volunteered to you as serious possibilities by the agent (CIRCLE ONE):

1 No houses
2 One house
3 Two houses
4 Three houses
5 Four or five houses
6 Six or more houses

121 24. How many houses were you invited by the agent to inspect on the inside (CIRCLE ONE):

1 No houses
2 One house
3 Two houses
4 Three houses
5 Four or five houses
6 Six or more houses

122 25. How many houses did you actually inspect on the inside (CIRCLE ONE):

1 No houses
2 One house
3 Two houses
4 Three houses
5 Four or five houses
6 Six or more houses

IF YOU DID NOT INSPECT AT LEAST TWO HOUSES, EXPLAIN WHY

____

____

____

SALES AUDIT REPORT
1

CONTROL NO.: _ _ _ - 1 - _ _ _ - _

26. For each of the first three houses suggested as serious possibilities by the agent in his office, give the following information:

123-127 HOUSE #1 a. Location: ______________________________
(number) (street)

____
(political jurisdiction) (zip code)

128-133 b. Census Tract _ _ _ _ . _ _

134-139 c. Asking price (exact amount given): $ _ _ _ , _ _ _

140 d. Number of bedrooms (CIRCLE ONE):

1 One or two bedrooms
2 Three bedrooms
3 Four bedrooms
4 Five bedrooms
5 Six or more bedrooms

e. What would be the least amount of down payment required?

141-145 Indicate exact dollar amount: $ _ _ , _ _ _

OR

146-147 Percent of asking price: _ _ %

f. What type of financing did the agent say would probably be available (CIRCLE YES OR NO FOR EACH):

	Yes	No	
148	1	2	a. FHA/VA financing available
149	1	2	b. Conventional financing available
150	1	2	c. Assumption of existing mortgage possible
151	1	2	d. Did not say what type
152	1	2	e. Other (specify)______________________________

____

For Office Use Only

153-154
1 Less than $10,000
2 $10,000 - 14,999
3 $15,000 - 19,999
4 $20,000 - 24,999
5 $25,000 - 29,999
6 $30,000 - 34,999
7 $35,000 - 39,999
8 $40,000 - 44,999
9 $45,000 - 49,999
10 $50,000 - 59,999
11 $60,000 - 69,999
12 $70,000 - 79,999
13 $80,000 - 89,999
14 $90,000 or more

155 Other auditor told about this house (CIRCLE ONE):

1 Yes 2 No 3 Not sure

156-160 County Code: ☐☐☐☐☐

SALES AUDIT REPORT
1

CONTROL NO.: _ _ _ - 1 - _ _ _ - _

26. (Continued)

161-165 HOUSE #2 a. Location: ______________________________
(number) (street)

____
(political jurisdiction) (zip code)

166-171 b. Census Tract _ _ _ _ . _ _

172-177 c. Asking price (exact amount given): $ _ _ _ , _ _ _

178 d. Number of bedrooms (CIRCLE ONE):

1 One or two bedrooms
2 Three bedrooms
3 Four bedrooms
4 Five bedrooms
5 Six or more bedrooms

e. What would be the least amount of down payment required?

179-183 Indicate exact dollar amount: $ _ _ , _ _ _

OR

184-185 Percent of asking price: _ _ %

f. What type of financing did the agent say would probably be available (CIRCLE YES OR NO FOR EACH):

	Yes	No	
186	1	2	a. FHA/VA financing available
187	1	2	b. Conventional financing available
188	1	2	c. Assumption of existing mortgage possible
189	1	2	d. Did not say what type
190	1	2	e. Other (specify) ______________________________

____

For Office Use Only

191-192
1 Less than $10,000
2 $10,000 - 14,999
3 $15,000 - 19,999
4 $20,000 - 24,999
5 $25,000 - 29,999
6 $30,000 - 34,999
7 $35,000 - 39,999
8 $40,000 - 44,999
9 $45,000 - 49,999
10 $50,000 - 59,999
11 $60,000 - 69,999
12 $70,000 - 79,999
13 $80,000 - 89,999
14 $90,000 or more

193 Other auditor told about this house (CIRCLE ONE):

1 Yes 2 No 3 Not sure

194-198 County Code: ☐☐☐☐☐

SALES AUDIT REPORT
1

CONTROL NO.: _ _ _ - 1 - _ _ _ - _

26. (Continued)

199-203 HOUSE #3 a. Location: ______________________________
(number) (street)

____
(political jurisdiction) (zip code)

204-209 b. Census Tract _ _ _ _ . _ _

210-215 c. Asking price (exact amount given): $ _ _ _ , _ _ _

216 d. Number of bedrooms (CIRCLE ONE):

1 One or two bedrooms
2 Three bedrooms
3 Four bedrooms
4 Five bedrooms
5 Six or more bedrooms

e. What would be the least amount of down payment required?

217-221 Indicate exact dollar amount: $ _ _ , _ _ _

OR

222-223 Percent of asking price: _ _ %

f. What type of financing did the agent say would probably be available (CIRCLE YES OR NO FOR EACH):

	Yes	No	
224	1	2	a. FHA/VA financing available
225	1	2	b. Conventional financing available
226	1	2	c. Assumption of existing mortgage possible
227	1	2	d. Did not say what type
228	1	2	e. Other (specify)______________________________

____

For Office Use Only

229-230
1 Less than $10,000
2 $10,000 - 14,999
3 $15,000 - 19,999
4 $20,000 - 24,999
5 $25,000 - 29,999
6 $30,000 - 34,999
7 $35,000 - 39,999
8 $40,000 - 44,999
9 $45,000 - 49,999
10 $50,000 - 59,999
11 $60,000 - 69,999
12 $70,000 - 79,999
13 $80,000 - 89,999
14 $90,000 or more

231 Other auditor told about this house (CIRCLE ONE):

1 Yes 2 No 3 Not sure

232 County Code: ☐☐☐☐☐

SALES AUDIT REPORT
1

CONTROL NO.: _ _ _ - 1 - _ _ _ - _

237 27. Did agent mention that blacks do not now live in the neighborhood or are not moving into it (CIRCLE ONE):

1 Yes
2 No

238 28. Did agent mention that blacks are now living in the neighborhood or are moving into it (CIRCLE ONE):

1 Yes
2 No

239 29. Did the agent make any reference about blacks, including use of "code words" (CIRCLE ONE):

1 Yes
2 No
3 Not sure

IF YES OR NOT SURE (YOU CIRCLED 1 OR 3), EXACTLY WHAT DID (S)HE SAY?

____

____

240 30. Did agent invite you to call back (CIRCLE ONE):

1 Yes
2 No

241 31. What was the race of the agent (CIRCLE ONE):

1 White
2 Black
3 Other (specify)________________________

242 32. What was the sex of the agent (CIRCLE ONE):

1 Male
2 Female

243 33. What was the probable age of the agent (CIRCLE ONE):

1 Under 35 years
2 35-49 years
3 Fifty years or more

FILL OUT AND ATTACH FORM 1A FOR EACH HOUSE ACTUALLY INSPECTED

SALES AUDIT REPORT
1

CONTROL NO.: ___ - 1 - ___ - _

IN YOUR OWN WORDS, PLEASE DESCRIBE BELOW ANY EXPERIENCES WHICH YOU WERE NOT ABLE TO RECORD ADEQUATELY ELSEWHERE ON THIS AUDIT FORM. USE OTHER SIDE OF SHEET IF NECESSARY.

SALES AUDIT REPORT
1

CONTROL NO.: ___ - 1 - ___ - _

(TO BE FILLED OUT ONE WEEK AFTER SITE VISIT)

244 34. Did the agent contact you by mail or telephone following your visit (CIRCLE ONE):

1 Yes 2 No

IF YES (YOU CIRCLED 1), ANSWER 34a

245 34a. When was first contact made (CIRCLE ONE):

1 In less than one day
2 One to three days
3 More than three days, but no more than seven

SUPPLEMENTARY SALES
AUDIT REPORT # 1A

CONTROL NO.: ___ - 1 - ___ - _
1 8

9-13 A1. Address ______________________________
(number) (street)

____
(political jurisdiction) (zip code)

14-19 A2. Census Tract ____ . __

For Office Use Only
20-24 County Code: ☐☐☐☐_

25 A3. How is this house identified in Form 1, Item 26 (CIRCLE ONE):

1 House # 1
2 House # 2
3 House # 3
4 Not identified, another house suggested as a serious possibility by the agent in his office
5 Not identified, another house suggested by the agent while looking at other houses
6 Other (specify) ______________________________

____

26 A4. When did the agent tell you the house would be ready for occupancy (CIRCLE ONE):

1 Immediately
2 One month or less
3 Two or three months
4 Four or five months
5 Six months or more
6 No date given

27 A5. Did the agent invite you to submit an offer or bid for this house (CIRCLE ONE):

1 Yes 2 No

A6. Did the agent play up good points about the house? Specifically, did (s)he cite one or more of the following (CIRCLE YES OR NO FOR EACH):

	Yes	No	
28	1	2	a. Privacy or quiet location
29	1	2	b. Has been well maintained
30	1	2	c. Has been redecorated inside recently
31	1	2	d. Construction is good
32	1	2	e. Maintenance costs will be low
33	1	2	f. Utility costs will be low
34	1	2	g. Taxes will be relatively low
35	1	2	h. Appliances are new or nearly new
36	1	2	i. Layout of rooms is good
37	1	2	j. House is spacious
38	1	2	k. Kitchen has room for eating
39	1	2	l. Yard is good for children
40	1	2	m. Priced within your means
41	1	2	n. Will grow in value
42	1	2	o. Other positive remarks (specify) ______________________________

____

SUPPLEMENTARY SALES
AUDIT REPORT # 1A

CONTROL NO.: ___-1-___-_

43 **A7. Did the agent "talk the house down" (CIRCLE ONE):**

1 Yes 2 No

A8. Did the agent speak positively about the neighborhood? Specifically, did (s)he mention (CIRCLE YES OR NO FOR EACH):

	Yes	No	
44	1	2	a. Good schools
45	1	2	b. Good transportation
46	1	2	c. Good neighbors
47	1	2	d. Close to shopping, cultural activities, near "center of things," etc.
48	1	2	e. Convenient parking
49	1	2	f. Quiet location
50	1	2	g. Pleasant surroundings, trees, parks
51	1	2	h. Well maintained houses and yards
52	1	2	i. Safe neighborhood
53	1	2	j. Other positive remarks (specify) ______________________

54 A9. Did the agent speak negatively about the neighborhood (CIRCLE ONE):

1 Yes 2 No

A10. When you visited the house, did you notice (CIRCLE YES OR NO FOR EACH):

	Yes	No	
55	1	2	a. Poor condition on outside, such as peeling paint, poorly maintained lawn or yard, cracked or broken siding or steps
56	1	2	b. Poor condition on inside, such as cracked plaster, leaks in ceiling, etc.
57	1	2	c. Other evidence of poor condition (specify) ____________

A11. If you visited the neighborhood, was the house (CIRCLE YES OR NO FOR EACH):

	Yes	No	
58	1	2	a. In a noisy area (e.g., near busy street or highway, airport, railroad, or heavy industry)
59	1	2	b. In a deteriorating area (e.g., surrounded by poorly maintained houses and yards)
60	1	2	c. Other negative features (specify) ____________________

61 A12. Did you observe any blacks who appeared to live in the neighborhood (CIRCLE ONE):

1 Yes
2 No
3 Saw blacks, but not sure they lived in neighborhood

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